FBIS DAILY REPORT

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REPORTAGE ON EGYPTIAN MINISTER GHALI'S VISIT

Arrives at Airport

PY151823 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1710 GMT 15 Jul 81

[Text] Buenos Aires, 15 Jul (NA)--Egyptian Foreign Minister Butrus Butrus Ghali arrived today in this capital for an official visit. On his arrival he confirmed that he will discuss with national authorities the possibility of Argentina sending troops for the multinational military peace force that is to be established in the Sinai peninsula.

Ghali, who will be here for 2 days in which he will also sign trade cooperation documents with Argentina, asserted that during his stay in the country: "I will make every effort to further even more the relations between our two countries."

The Egyptian foreign minister, who was met by Foreign Minister Oscar Camilion, had a brief chat with the press at the metropolitan airport. He stressed that the sending of peace troops to the Sinai figures among the many subjects he will discuss with Argentine authorities.

Ghali declined to say much about the purpose of his visit to the country, indicating that "within 2 days I will grant you a long interview in order to report" on the results of his talks.

The high-ranking Egyptian official nevertheless highlighted the "importance" that "the good relations with Argentina" have for his country and he indicated that this is demonstrated by the fact that "we have been here twice in 1 year."

Ghali will have his first meeting with Camilion this afternoon and tomorrow he will visit President Viola to greet him.

Meets With Camilion

PY160126 Buenos Aires TELAM in Spanish 2318 GMT 15 Jul 81

[Text] Buenos Aires, 15 Jul (TELAM)--Butrus Ghali, Egyptian minister of state for foreign affairs, today briefed his Argentine counterpart Oscar Camilion on the current status quo in the Middle East and on the creation of a multinational peace force for the Sinai.

This information, which was released by the Foreign Ministry, indicated that Ghali did not make any concrete request for Argentina's participation in this international peace force which will be headed by the United States and made up of troops from friendly countries.

During their meeting, the two ministers conducted a broad review of bilateral affairs which both countries are interested in improving.

Confirms Sinai Proposal

PY170147 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0040 GMT 17 Jul 81

[Excerpts] Buenos Aires, 16 Jul (NA)--The Egyptian minister of state for foreign affairs, Butrus Ghali, today delivered to President Roberto Viola a formal invitation from the government of his country for Argentina's participation in the multinational peace force which will operate in the Sinai.

Ghali tonight confirmed that during the meeting held with Viola at Government House, he delivered a letter from Egyptian President Anwar as-Sadat which includes this invitation.

During a news conference held at the headquarters of the Argentine Council for International Relations, the Egyptian minister of state for foreign affairs said that "it is no secret that I delivered As-Sadat's letter to President Viola today."

When NOTICIAS ARGENTINAS questioned sources close to the Egyptian Embassy in Buenos Aires, they indicated that the Argentine Government has promised to study the request and to answer as soon as possible.

During his news conference Ghali discussed the "Middle East peace process" and said that the request for Argentina's participation in the peace force "is not the main reason for my visit; it is a secondary issue, because the most important thing is the permanent friendship which unites the two peoples."

After confirming tonight his country's proposal to the Argentine Government, Ghali recalled that the multinational peace force" is aimed at supervising the compliance with the Camp David agreement signed in 1979.

Further on during his news conference Ghali pointed out that approximately 10,000 Israelis remain in the area of the Sinai peninsula which must be cleared out in compliance with the Camp David accord, even though, he said, "they only go there for the weekends."

Finally he reiterated that Egypt "will continue working for the overall peace in the Middle East regardless of the obstacles."

CLARIN Interview

PY172001 Buenos Aires CLARIN in Spanish 17 Jul 81 p 12, 13

[Exclusive CLARIN interview of Egyptian Minister of State for Foreign Affairs Butrus Ghali by Alberto Guilis on 16 July in Buenos Aires]

[Text] [Question] Mr Foreign Minister, who had an opportunity to meet with your Argentine counterpart yesterday and with President Viola today. We would like to know your impression of these meetings and whether you formally asked to the Argentine Government to participate in a multinational peace force for the Sinai?

[Answer] First of all, I would like to make it clear that the main aspect of my visit is not the Egyptian request for Argentine participation in a peace force but to strengthen relations between the two countries. The Egyptian-Argentine relationship is a permanent thing while the Sinai is a temporary matter. We are particularly interested in reaching a long-term agreement for the supply of Argentine foods to Egypt. This year we have purchased $80-million worth of Argentine meat and we want this trade to continue and to increase.

Another important aspect is that we want to import meat from Argentina. [as published]

[Question] We know how important the trade between the two countries is, but it seems obvious that your visit to Argentina at this time is closely linked to the formation of a multinational force. We would like to know if the Egyptian Government has made a formal request to the Argentine Government to participate in it...

[Answer] Yes, the Egyptian Government has made a formal request for Argentine participation in the peace force. The government has told us that it is interested and that it will study our request.

[Question] About the situation in the Middle East...what is the opinion of the Egyptian Government on the difficulties Menahem Begin is having in forming a government and how is this weakness of the future Israeli Government going to affect the region?

[Answer] The position of the Egyptian Government before, during and after the elections is that of total neutrality. We did not want and do not want to interfere. We do not prefer either Mr A or Mr B. But, of course, we do want a strong Israeli Government that could firmly fulfill its commitments to the peace treaty between Egypt and Israel.

[Question] But this is not going to be a strong government.

[Answer] It is difficult to say, before its formation, whether this government is going to be strong or weak.

[Question] Negotiations between your country and Tel Aviv about the Palestine situation have been interrupted for almost a year. What are the reasons?

[Answer] The policy of our country is to help the Palestinian people. We do not have demands on the Palestinian people. But we cannot speak in the name of the Palestinian people. Our objective is to put an end to the military occupation of the West Bank and Gaza and the formation of a provisional Palestinian government. Once this government has been set up, they will be able to negotiate with Israel. There is no other way to solve the Palestinian problem. In the meantime we must continue pressuring and negotiating with the Israelis.

[Question] Do you believe that the recent Israeli attack on the Iraqi nuclear plant and Palestinian positions in Lebanon are a threat to peace in the Middle East?

[Answer] We are convinced. We have denounced it before the United Nations, the Organization of African Unity and the IAEA, saying that the Israeli attack on Iraq must be condemned. Our congress, our party, we have all condemned the aggression. Regarding the attacks on Lebanon, we also believe that they are new obstacles on the road to peace.

[Question] From this point of view, has the Phillip Habib mission in the region failed?

[Answer] No, the important thing in any mediation is to continue with it.

[Question] But a mediation cannot last forever...

[Answer] We must first continue with the mediation and then search for other means to achieve peace.

[Question] Do you plan to meet Begin in the next few weeks?

[Answer] No, because I am going to stay in Latin America until the end of this month and I will then go to Washington. I will not return to Cairo until the second week in August.

[Question] Is there a meeting pending between your government and Shim'on Peres?

[Answer] We would be very happy to see Peres in Cairo because we want to know the opinion of the Israeli parties.

[Question] The Egyptian Government signed an agreement with the FRG yesterday to build three nuclear plants. Do you believe that Israel may object to this since its leaders oppose nuclear developments in Arab countries?

[Answer] We signed an agreement to build two nuclear plants with France 2 months ago. We signed another agreement with the United States last week and we have now signed another agreement with the FRG. We want to have ten nuclear plants to produce the electrical energy our country needs. No one can oppose nuclear development for peaceful use. No country can object to it.

[Question] Do you believe that the Reagan administration decision to sell arms to Egypt, Israel and Saudi Arabia can speed up the arms race in the region?

[Answer] The important thing is the desire for peace, with or without arms.

[Question] But the Israeli Government said that it will continue to arm itself as long as its Arab neighbors do the same...

[Answer] I do not believe there is an arms race because sooner or later the spirit of peace will prevail.

[Question] Due to the agreements Egypt signed with Israel, your country's relations with the Arab world has been deteriorating. What is the path that the Egyptian Government must follow to reestablish these relations?

[Answer] The relations that count are the relations from people to people. Our relations with the Arab people are excellent. We have 2 million Egyptian technicians working in Libya, Iraq and Saudi Arabia; professors, engineers, specialists, among others, which represent an annual income of $2 to 3 billion. Regarding diplomatic or political relations, the day we find a solution to the Palestinian problem, that will be the basis for the reconciliation among the countries of the Arab world.

I am referring to the majority of the Arab countries. I am not referring to the "sui generis" government like Libya or communist countries like Aden.

[Question] What is the Egyptian Government's attitude toward conflicts among Arab countries, such as the one Iran and Iraq are engaged in?

[Answer] These conflicts not only cause instability in the region, but they also place a new obstacle on the road to global peace. Our position is one of strict neutrality, and we hope that this conflict can be resolved peacefully. We are in favor of any mediation emanating from the nonaligned countries, from the Islamic nations, from the United Nations, from any part of the world that is in favor of a peaceful solution.

[Question] Is this also your position on Lebanon?

[Answer] Our policy toward the Lebanese crisis can be summarized in three points: 1) The political independence of Lebanon; 2) Territorial integrity; and 3) A strong Lebanese Government and reconciliation among all parties in the conflict. We are in constant contact with all friendly countries which can have the role of mediators in the civil war.

[Question] In conclusion, what were the results of your request to the Argentine Government?

[Answer] I gave President Viola a message written by President as-Sadat and a detailed explanation of the importance of bilateral relations on the economic and cultural levels. I formally asked him for the symbolic participation of Argentina in the multinational peace force for the Sinai. The president of the republic promised me that he would study this proposition very objectively and carefully and that he would give me a letter tomorrow before I leave for the Egyptian president.

Communique Issued

PY180155 Buenos Aires TELAM in Spanish 1825 GMT 17 Jul 81

[Text] Buenos Aires, 17 Jul (TELAM)--The Egyptian Government has reiterated its firm support for Argentina's legitimate rights on the Malvinas Islands and, together with Argentina, has expressed its deep disapproval of the recent attack on a nuclear plant in Iraq, indicating its agreement with the condemnation passed by the UN Security Council.

This is contained in the joint communique signed this afternoon by the foreign ministers of the two countries [as received], Dr Oscar Camilion and Dr Butrus Ghali, at the end of Ghali's visit to Argentina, which began last Wednesday.

The four-page communique also notes Dr Ghali's interview with President Gen Roberto Eduardo Viola in the course of which Ghali handed over a personal message from the Egyptian head of state, Mohammad Anwar as-Sadat, "expressing the bonds of friendship which unite the two countries."

The eighth paragraph refers to the interest of the Egyptian Government in having Argentina participate in the formation of a multinational observer force which will be established as a temporary alternative to a UN peace-keeping force and which will be deployed along the Egyptian-Israeli border. President Viola answered this request, saying that the Argentine Government would objectively consider the topic in the context of its global foreign policy and with special attention to its friendly relations with Egypt and the countries of that region.

In the bilateral field, they resolved to convene a meeting of the mixed commission created by the 1977 commercial treaty with the objective of increasing bilateral trade. In reference to the cultural agreement signed in 1972, they resolved that the commission will hold a meeting in Buenos Aires no later than 6 months from now.

The two countries considered that a just and lasting solution can be achieved within the framework of the relevant UN decisions, which envision the withdrawal from the occupied Arab territories, the existence of all the states of the region within secure and recognized borders and the respect for the rights of the Palestinian people to self-determination, sovereignty and independence.

The two foreign ministers indicated their concern over the confrontation between Iraq and Iran and over the latest events in Lebanon, and expressed their hope that a just solution based on the principles on noninterference in internal affairs and the independence and unity of Lebanon will be reached.

They also analyzed the grave international economic situation and emphasized their conviction that a lasting solution to the problems of the developing countries cannot be found without a harmonious and basic change in the structure of international economic relations through the establishment of a new international economic order based on the principles of equality, justice and mutual benefit.

Continuing with this theme, the two parties reiterated the right of the developing countries to exercise absolute and permanent sovereignty over their natural resources.

In the communique, special emphasis is put on the important contribution by the Nonaligned Movement to achieving a more just and equitable international order, and they reiterate their firm support for the United Nations and the principles of non-intervention in internal affairs of other countries, the renunciation of the use of force or threats of force in international relations and respect for the sovereign right of countries to self-determination, sovereignty, independence and territorial integrity.

In conclusion, Minister Butrus Ghali expressed his thanks for the cordial reception accorded him and his party during their stay in Argentina and he agreed with Dr Camilion that within the framework of scientific and technical cooperation signed by the two countries on 7 January 1981, it was necessary to increase the means for cooperation in the field of the peaceful use of nuclear energy.

Holds News Conference

PY200000 Buenos Aires HERALD in English 18 Jul 81 p 9

[Excerpts] (NA)--Egyptian Foreign Minister [as published] Butrus Ghali yesterday ended his 72-hour official visit to Argentina by holding a press conference in which he said that countries which make up a proposed Sinai peace-keeping force will be asked to provide 600 troops each and that the cost of maintaining those troops in the Middle East would not be the responsibility of the countries involved.

Ghali, who on Thursday handed President Roberto Viola a note from Egyptian President Anwar as-Sadat asking the Argentine Government to provide troops for the peace-keeping mission, indicated yesterday that a negative reply from Buenos Aires to Cairo's invitation would have no ill-effect on bi-lateral relations between Egypt and Argentina. He also said that his visit here had strengthened ties between the two countries and added that his Argentine counterpart, Oscar Camilion, had accepted an invitation to visit Cairo in January of next year.

In answer to a question as to why a peace-keeping military contingent had to be established when there was already a peace pact signed by both Israel and Egypt, Ghali indicated that the idea of an international force was a result of "Israel's obsession" on the matter. And he went on to say that "we should help Israel to feel secure with the peace" established between the two Middle East neighbours. He added that current relations between Cairo and Tel Aviv were "very good" and he said that proof of this fact was the brisk tourist, cultural and economic exchange between Egypt and Israel.

As to Argentina's participation in a Sinai peace-keeping force, Ghali was asked to comment on a rumour that Buenos Aires would agree to a "symbolic participation" in the Middle East. He answered the question with another question: "Do you think that 500 to 600 soldiers is symbolic participation?"

Asked who would pay to maintain the international peace-keeping army in the Sinai Desert, Ghali indicated that the cost would be divided equally between Israel and Egypt.

PEACE COUNCIL PROTESTS SENDING TROOPS TO SINAI

PY180140 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2031 GMT 17 Jul 81

[Text] Buenos Aires, 17 Jul (NA)--The Argentine Council of Peace [Consejo Argentino de la Paz] today released a statement entitled "Not a Single Argentine Soldier to Sinai."

The declaration follows stories that Argentina might participate in the so-called "multinational military peace force" in the Sinai.

The council says that "certain of its interpretation of Argentine public opinion, the council demands that the government not permit even a single Argentine soldier to be used in any self-styled 'international military force.'"

At the same time, it "called on all organizations throughout the nation to declare their stand and to act to prevent our soldiers, NCO's and officers from being enrolled in this adventure."

PRESIDENT VIOLA ON PARTY CALL, TLATELOLCO TREATY

PY161951 Buenos Aires HERALD in English 16 Jul 81 p 11

[Text] Lima, Buenos Aires (NA)--President Roberto Viola yesterday acknowledged that a reduction in wages being paid to militarymen who also hold other positions, as well as the scrapping of privileged pension programmes, "are aspects which are being studied."

Talking to the press before boarding a helicopter on his way back to Buenos Aires, Viola also said that "the government is in a position to issue just as important a call" as the one issued jointly on Tuesday night by Argentina's five major political parties.

Viola, who had just attended the ceremonies marking the start of building work on the Atucha II nuclear plant, further explained that "several political sectors have issued a call, but I believe the government to be in a position to issue just as important a call," and, answering queries about the possible benefits of that call for the country, said: "Only events will tell, we'll see how these events develop."

In earlier statements concerning Argentina's nuclear programme, the president had stressed that "the National Atomic Energy Committee will have all the elements needed for our country to keep its advanced position within Latin America" in that field.

Concerning the situation with the United States in the nuclear field, Viola said: "There are different points of view regarding each country's possibilities," although, he added, "through talks and negotiations currently underway with the U.S., we will manage to iron out those differences."

Argentina, he said, would join the Tlatelolco Nonproliferation Treaty "at the right time and once all the required assurances have been achieved."

PAPAL NUNCIO COMMENTS ON SAMORE, MEDIATION

PY192140 Buenos Aires HERALD in English 18 Jul 81 p 9

[Excerpt] (NA)--Papal Nuncio Msgr Ubaldo Calabresi, said yesterday that Cardinal Antonio Samore, the pope's representative in efforts to mediate between Argentina and Chile on the Beagle Channel question, had shown particular "affection" for the first-named country and was doing all in his power to help find a solution to the problem.

Calabresi spoke to newsmen at Ezeiza International Airport just before leaving for Italy on a 2-month vacation. He denied he had any intention of carrying out talks concerning the controversy while at the Vatican, although he did not discard the possibility of referring to this matter when conversing with Samore or with Cardinal Casaroli, the Vatican secretary of state.

DOMINICAN FOREIGN MINISTER TAVARES ARRIVES

PY172036 Buenos Aires TELAM in Spanish 2020 GMT 17 Jul 81

[Text] Buenos Aires, 17 Jul--Manuel Enrique Tavares Espaillat, foreign minister of the Dominican Republic, has arrived in the country. Foreign Minister Oscar Camilion met him at Ezeiza Airport.

PRESIDENT GARCIA MEZA SPEECH ON 1ST ANNIVERSARY

PY180031 La Paz Radio Illimani Network in Spanish 2137 GMT 17 Jul 81

[Text of speech by Bolivian President Luis Garcia Meza at rally held in the main plaza of Oruro on the occasion of the first anniversary of Garcia Meza's rise to power--live]

[Summary] "Mr Interior Minister, the Colonel in Command of the 2d Division, the Prefect of the Department, Your Honor the Mayor, civilian authorities, government authorities, authorities of the various labor unions, the people of Oruro, ladies and gentlemen, children, Bolivian youth and my brother peasants." I thank you all in the name of the Government of National Reconstruction of the armed forces.

I am going to be clear, short and brief. One year ago the armed forces had to assume the government in view of the political chicanery that had been going on and because the armed forces and the people had become isolated due to the behavior of the politicians.

After 1 year in the government I have the satisfaction of seeing the Bolivian people stand behind their country and their armed forces and that they are now aware of reality, which will help in achieving the objectives that the country seeks.

I have the great satisfaction of now seeing a smile on the faces of the Bolivian people, a smile for the soldier who is currently governing Bolivia. "But this soldier has always been, and will always be, an honest and honorable man with the Bolivian people." When I leave the government I will remain with you, because I do not have the money to escape abroad as all the politicians have done.

The Government of National Reconstruction started its government program 1 year ago without looking back, but always looking forward and thinking about the new generations and a new generation of men in order to leave them as a legacy an honorable fatherland.

Our task is based on the new generations and on the truth of things; this is why we will never lie to our people. "We are shielding our people from the penury that the Government of National Reconstruction must experience in order to improve the political, economic and social aspects of the Bolivian people.

"Now, during this first stage the Government of National Reconstruction has demonstrated that it has achieved the most necessary item for progress: the unity of Bolivians. Peasants, we are as we are; the middle class, all classes, we are now entering reality."

As dignified Bolivians, these are two important words, we respect others and seek that others respect us.

"Regarding the blockade that is still being carried out against us by some countries, regretfully it is in the hands of governments, and there you have the thoughts of the Bolivian politician who makes use of chicanery who asks to [words indistinct] outside of his fatherland. Now there is no General Garcia Meza, only the Bolivian people. They concern themselves with getting those countries, through that morbid propaganda that reflects an image that is not Bolivian, to believe that we are still savages. [passage as heard]

"But thanks to God, united here in Bolivia, united here in Oruro, in Cochabamba, in Santa Cruz, creating the conditions for the exploitation of our wealth, we Bolivians are going to be able to get ahead, proudly and with dignity.

"We are creating the development areas. A few days ago we created a development area north of La Paz in order to benefit two [figure as heard] departments: Beni, Pando, La Paz and Oruro Departments, so that all the people who cannot find work will find a source of work in that area; that is their work source. [chants, applause]

"In addition to creating the development area in the north, we are also creating the western development area. [Name indistinct] is the next development area of that sector.

"And with all our wealth, brother Bolivians, I am quite sure that the people who are outside and aware, those who need to invest their capital, are ready to come and help us; but not to blackmail us or to make us beg, but with us imposing the conditions for them to carry out their work properly. [chants, applause]

"My brothers of Oruro, my brother peasants, the Government of National Reconstruction, through its organizations, has worked on and is reforming the constitution in order to create the conditions and democracy that will be ours and which can be understood by all Bolivians. It is also studying a political parties law so that those organizations can group the active forces of the country, but only for the creation of the conditions for a real democracy, a democracy that will benefit all Bolivians.

"In addition to studying this law, we are studying other laws that will benefit the Bolivian people, which I will make known to all my Bolivian brothers through messages. [applause, chants]

"I hope, my brothers from Oruro, that the Bolivian people as a whole, all its classes, and the armed forces will be able to create a powerful force to give stability to the government of National Reconstruction so that we are not [words indistinct] by the dissatisfied and mercenary politicians, by the detractors of [word indistinct], by those who are never content.

"The people of Bolivia must always be united, united through you who are at this moment cheering me, a representative of the armed forces."

My brothers from Oruro, my Bolivian brothers, at this time there is not only interest in rallies, there is not only interest in speeches; at this time interest must rest on the fact that everyone must put his shoulder behind Bolivia and work.

Once again I thank you for this rally, which I have attended with gusto because it is the day of the revolution. I know my brothers from Oruro, I know my Bolivians; we are introverts, but we have good sentiments. I have attended gladly because it has been a spontaneous rally where even the children have been listening to me.

"I ask my brothers from Oruro for unity. I remind my brothers from Oruro that those who are not behind the Government of National Reconstruction should mediate and make known to us their ideas, their concerns, so that matters do not lead to actions that would affect Bolivian and Oruro societies, but that will lead to achievements that will favor all Bolivia; and that action is unity.

"But yes, we can be aware of what we must do as of now at the time of our first anniversary in power. We have done little, but it has also helped the people of Bolivia, the brother departments, to become aware that what we Bolivians lacked was dialogue, a matter of reaching understanding between ourselves, to create the conditions that respond to the needs society demands of us.

"My brother Bolivians, I again thank you. I am always with you. We are going to resolve the problems that you have submitted to me through your authorities."

I thank my brother peasants, my brothers from Oruro, the people in general, for this expression of affection toward the armed forces and the Government of National Reconstruction. Thank you.

BOLIVIAN DEMOCRATIC POPULAR UNION DISSOLVES

PY202003 Paris AFP in Spanish 0144 GMT 17 Jul 81

[By Alberto Brun]

[Text] Lima, 17 Jul (AFP)--The Bolivian Democratic and Popular Union (UDP) has been officially dissolved on the anniversary of the military coup which nullified the elections that gave a majority to the UDP coalition headed by Hernan Siles Zuazo and Jaime Paz Zamora.

The Bolivian Labor Federation (COB), the Movement of the Revolutionary Left (MIR) of Paz Zamora, the Leftist Nationalist Revolutionary Movement (MNRI) of Siles Zuazo and other organizations opposing the military government today admitted through several documents that the military government has been able to disorganize the revolutionary movement and that the defenders of democracy are proposing--with bitter recriminations against each other--different strategies to defeat the dictatorship that took over the Bolivian Government 1 year ago.

The COB leaders headed by Juan Lechin Oquendo said in a document released here today that COB is the organization that must unite in a strong force the independent masses to recover the basic rights violated by the fascist regime.

The COB Foreign Coordinating Committee, which has its headquarters in Lima, is convinced that the labor, miners and peasants organizations are the main forces which can put an end to the current regime, according to one of its members. But considering that COB is a union organization, it could not lead a political movement; therefore, it would operate through some parties. There is already speculation that the Tupak Katari Revolutionary Movement reorganized under the leadership of Genaro Flores and Simon Quispe can possibly mobilize the peasants and that the pro-Moscow Communist Party can lead other political organizations in the mines and industry sectors. The name of Juan Lechin Oquendo is reappearing as the strategist of the new democratic force.

Hernan Siles Zuazo, MNRI leader and sinning UDP presidential candidate, today signed a document--known 3 days ago--rejecting the policy of making deals with a military option. It was reported that the MNRI will not take part in any deal aimed at establishing any type of dictatorship.

Analysts believe that these sarcastic observations are a rejection of the MIR strategy of Paz Zamora who had contacted progressive military officers during attempts in Bolivia to overthrow the regime of President Luis Garcia Meza.

Observers also indicated that the Council for the Defense of Democracy (CONADE) has not escaped from the break up of the democratic front. The CONADE group outside Bolivia does not agree with the reorganization of CONADE in Bolivia and also the MIR does not participate in CONADE.

Regarding the MIR, observers say that this organization considers itself the real force in the defense not only of democracy but of the revolution. Observers added that this position irritates the other groups which are or were members of the UDP.

Paz Zamora made a statement a few weeks ago regarding the CONADE situation that, according to observers, can be applied to all the intentions of unity of the Bolivian left. He said: "We see once again that an instrument which represented great progress, a great maturity for the Bolivian people and the COB is typically mistakenly interpreted by the Bolivian left, which is always advocating isolating itself."

The analysts said in conclusion that paradoxically--on the anniversary of the military coup--the so-called weak military regime seems to have purged the opposition within the army and strengthened its position while the democratic groups have returned to division, rivalry and ineffectiveness in their Bolivian democratization programs.

DOMINICAN REPUBLIC FOREIGN MINISTER ON 4 DAY VISIT

Arrives at Airport

PY142106 Santiago Chile Domestic Service in Spanish 1730 GMT 14 Jul 81

[Text] Dominican Republic Foreign Minister Manuel Enrique Tavares arrived today at Pudahuel Airport and was received by Chilean Foreign Minister Rene Rojas Galdames. The Dominican diplomat said he brings cordial greetings from the Dominican people to all Chileans. He also said that he will hold talks with his colleague Rene Rojas and that a joint statement will be signed.

The first work meeting of the two foreign ministers will take place this afternoon at the Foreign Ministry building. Tonight the Dominican foreign minister will be awarded the Grand Cross of the Order of Merit of Chile. He will meet President Pinochet tomorrow, and will end his official visit on Friday.

Condemns Terrorism

PY152140 Santiago Chile Domestic Service in Spanish 1730 GMT 15 Jul 81

[Excerpt] Dominican Foreign Minister Manuel Enrique Tavares yesterday arrived in Santiago and held his first work meeting with Chilean Foreign Minister Rene Rojas Galdames. He conveyed friendly greetings from the Dominican people to all Chileans and regarded his meeting with Rojas Galdames as very cordial.

Tavares noted that the two countries share very similar policies. He said: We adhere to basic principles, such as nonintervention in other countries' internal affairs and self-determination of all peoples.

He said his country is very worried about the present Central American situation and he pointed out that the Dominican Republic has been peacefully trying to overcome its economic problems.

Condemning terrorism, he said it should be fought on all fronts and with all available means. He regretted the outburst of violence in Central America and blamed it on the action of foreign ideologies which must be fought by democratic countries.

Cooperation Agreements Signed

PY172048 Santiago Chile Domestic Service in Spanish 1730 GMT 17 Jul 81

[Excerpt] The Dominican and Chilean Governments have established a joint work group to study and improve their relations. The pertinent document was signed by the Chilean and Dominican Foreign Ministers Rene Rojas Galdames and Manuel Tavares, respectively. They also signed agreements relative to cultural, ham radio, economic and transport matters.

Tavares invited his Chilean colleague to visit the Dominican Republic and Rojas Galdames gladly accepted the invitation. The date for the visit will be agreed upon in the near future.

The two foreign ministers reaffirmed their countries' respect for basic human rights, and they condemned all forms of violation of such rights, especially terrorism.

After 4 days of talks, the two ministers signed an agreement for promoting and developing cooperation between the two countries in the cultural and educational fields. They also signed an agreement to permit Chilean or Dominican ham radio operators to carry out similar activities in the territory of any of the two countries.

In addition, Tavares and Rojas signed an agreement establishing a permanent joint study group that will be in charge of analyzing economic, trade, agricultural and transportation matters, and any other important bilateral affair.

On signing the agreements, the two ministers pointed out that consolidation of the continent's integration will permit the Latin American countries to improve their development and welfare, thus providing their peoples a better standard of living.

On Reported Soviet Agents

PY181335 Paris AFP in Spanish 0022 GMT 18 Jul 81

[Excerpts] Santiago, 17 Jul (AFP)--Chile and the Dominican Republic today condemned terrorism and subversion in a joint declaration signed here by the foreign ministers of both countries. This afternoon the Dominican foreign minister departed for Buenos Aires.

Tavares showed himself to be satisfied by the advances made. Questioned by reporters, Tavares said he was unaware of the background of reports of infiltration by Soviet agents of his country. He added that these reports, coming from the United States, took him by surprise.

BALANCE OF PAYMENTS DEFICIT REPORTEDLY INCREASING

PY171748 Paris AFP in Spanish 0021 GMT 15 Jul 81

[Text] Santiago, Chile, 14 Jul (AFP)--It was reported here today that the deficit in the Chilean balance of payments has spectacularly increased in the first 5 months of this year and everything seems to indicate that it will continue to increase.

According to the figures published by the Central Bank, the deficit in the balance of payment reached $1,222.2 million at the end of May as compared to $52.5 million during the same period last year.

The bank indicated that exports reached $1,975 million--representing a decrease of 14 percent--but imports reached $2,919 million, representing an increase of 44 percent in relation to the same period last year.

The reduction of exports is the result of the reduction of prices of copper, molybdenum, iron ore, wood and cellulose which are the main Chilean exports.

The bank reported that the large purchase of food and automobiles had an influence in the increase of imports. Purchase of foreign automobiles from January to May 1981 increased 277 percent, reaching $223 million in relation to the same period last year.

By the end of 1981, Chile will have purchased 80,000 automobiles and other automotive units, surpassing $300 million, bank officials predicted.

According to the bank report, the deficit in Chilean trade is the direct result of the current recession in industrialized countries along with a (?decrease) in the international prices of some products and (?machinery) important for our country.

It was recalled that 7 years ago Chile began a liberal capitalist policy by erradicating protectionist measures to leave the economy open to the international game of supply and demand.

BOMBS HURLED AT NARINO PALACE, 8TH AVENUE

PA201631 Bogota Radio Santa Fe in Spanish 1600 GMT 20 Jul 81

[Communique issued by the Office of the Presidency; read by unidentified spokesman for the Press and Information Office--live or recorded]

[Text] This morning several (?low-powered) bombs were hurled into the gardens of Narino Palace and were detonated on 8th Avenue, near the Government House. They caused no damage or injury.

BATEMAN CAYON REPORTEDLY LEADING SOUTHERN FORCES

PA190318 Madrid EFE in Spanish 2215 GMT 18 Jul 81

[Excerpt] Florencia, Colombia, 18 Jul (EFE)--Army spokesmen have said that Jaime Bateman Cayon, leader of the 19 April Movement, M-19, is leading the guerrilla groups which are fighting with the army in the southern part of the country.

Bateman Cayon, who was believed to be abroad, might have assumed command of the guerrillas after the M-19 joined with the Revolutionary Armed Forces of Colombia.

The two groups have been involved in armed clashes with army troops which have resulted in more than 40 dead between the 2 parties.

Armed with missile launchers, bazookas, machineguns and pistols, the guerrillas have mined railroad tracks to halt troop movements, but the soldiers are now being transported in helicopters.

PROGRAM TO HELP DEVELOP CARIBBEAN ANNOUNCED

PA180453 Madrid EFE in Spanish 0128 GMT 18 Jul 81

[Text] Bogata, 17 Jul (EFE)--Colombian Foreign Minister Carlos Lemos Simmonds today charged that "a leftist advance" is taking place in the Caribbean area and noted that "this is worrisome" for this country.

In closing a meeting of Colombian diplomats accredited in that region, Lemos Simmonds said that in view of this situation, the Colombian Government will launch a great offensive to help develop the area.

He added that the Economic Development Ministry designed an economic-political program to gain markets in these nations.

"Our representative democracy must serve as an example for the Caribbean, by showing them that advances in development can also be made within this framework," the foreign minister noted.

This Colombian program contemplates strengthening diplomatic relations, granting technical assistance, credits and other banking services and signing bilateral agreements.

BELAUNDE SCORES TERRORISTS, HAILS ECONOMY

PY201911 Lima Domestic Service in Spanish 1200 GMT 20 Jul 81

[Excerpts] On dedicating the third stage of the (Canon de Patos) hydroelectric plant in Huallanca, President Fernando Belaunde Terry harshly criticized terrorists who, in his opinion, must receive the stiffest punishments. He also praised the dedicated effort of republican guardsmen who fell in the line of duty.

[Begin recording] I want to convey to the republican guards--whose chief, General Estrada, is here with me, and whose personnel have been guarding the nation--that the entire country is behind them and that every time a guardsman falls the nation will pay tribute to this corps which is the custodian of the highest national interests.

Just yesterday a guardsman died in Ayabaca at the hands of criminals who will probably seek to protect themselves tomorrow behind the very human rights they had violated. Another young guardsman lost his arm [passage indistinct].

Therefore, I call upon the people to help in giving stiff punishment to those (?who are against) the republic, who have perpetrated attacks which have caused blood and grief. [applause] [end recording]

Speaking about the economy, the president said: [Begin recording] In a few months, in nearly 1 year of government, Peru has paid more than $1.6 billion in interest and amortization and has received disbursements of new loans of only $500 million. We may state that an effective effort has been made to strengthen the country's credit.

As I said earlier, we are now interested in supplying energy to both the coastal and mountainous regions because we are aware that in the jungle the primary sources of energy are petroleum and gas.

In addition to carrying on projects which are already under way and to implementing new ones, we have assumed the responsibility of outlining a petroleum development program designed to fulfill the major objective of decentralizing the petroleum industry, just as in our previous government we had complied with our objective of ending the refining monopoly by building the (La Pastilla) refinery. [applause] [end recording]

U.S. DECISION TO SELL SILVER STOCKS OPPOSED

Latin America Front Proposed

PY170323 Buenos Aires TELAM in Spanish 1353 GMT 14 Jul 81

[Excerpts] Lima, 14 Jul (TELAM)--Peruvian Mines and Energy Minister Pedro Pablo Kuczynski has launched the idea of creating a Latin American front to defend the prices of raw materials and to oppose the U.S. decision to sell its strategic silver reserves.

Kuczynski's idea is based on the fact that the unilateral decision of the United States to sell part of its silver metal strategic reserves will hurt silver exports of Peru and Mexico, Latin America's main silver producers.

Discussing the creation of a front to defend the prices of raw materials, Minister Kuczynski said that this kind of decision may be unimportant for the United States, but are very important for other countries such as Peru whose exports are mainly minerals and hydrocarbons.

The idea of a Latin American front has been supported by Peruvian Prime Minister and Economy Minister Manuel Ulloa who said: "We believe that in this case the policy of the United States is detrimental to the interests of friendly countries like Mexico and can hardly be reconciled with the proclaimed intentions of helping us and creating better prices for our raw materials." Ulloa emphasized that this kind of decision should be subject to consultations.

Foreign Minister Comments

PY200330 Buenos Aires LATIN in Spanish 2032 GMT 17 Jul 81

[Text] Lima, 17 Jul (LATIN-REUTER)--Foreign Minister Javier Arias Stella stated today that Peru is trying with Mexico and Canada to prevent the U.S. Congress from approving the sale of 1 million ounces of the strategic silver reserves on the world market.

The foreign ministers of Mexico and Peru have instructed their ambassadors to Washington to present a formal note to the U.S. Government on the damage that the decision to sell this mineral will cause to our countries, now that the prices have dropped, Arias Stella added. Mexico is the first producer and Peru holds fourth place in silver sales on the international market.

Arias Stella stated that the government had taken advantage of the presence of U.S. Ambassador to the OAS John William Middendorf to express Peru's deep concern over this report (on the sale of silver).

Middendorf has understood the serious problems which this measure--about to be discussed in Congress--could cause friendly countries like Peru, the foreign minister added.

Arias Stella talked to reporters at the end of a meeting between the ministerial cabinet and President Fernando Belaunde Terry at Government Palace.

He recalled that Peru earned $800 million from the sale of silver last year, and stated that the drop in prices will reduce this income to $480 million this year.

JUSTICE MINISTERS' MEETING HELD IN CAPITAL

PY141252 Paris AFP in Spanish 2013 GMT 13 Jul 81

[Text] Lima, 13 Jul (AFP)--Venezuelan Justice Minister Jose Guillermo Ambueza today stated that the establishment of common rules of the game for Latin American multinational companies and foreign investments in general must be one of the main issues for the justice ministers' conference which opened here today.

In his speech at the opening ceremony of the fifth conference of justice ministers of Spain, Portugal, American countries and the Philippines, Ambueza stressed that the aim of the meeting is to "merge our countries into a great economic, social and cultural community."

He emphasized that in the new international order which will soon come true, isolated countries will no longer be the vital centers, since they will be replaced by regional communities or associations of states.

He added: "Our countries enjoy favorable conditions for integration but they also have obstacles, such as the lack of physical channels for the movement of goods and peoples and an accord concerning the role which Latin America must play in changing the world."

He said: "We must also overcome the differences between our legal systems and one of the issues on which we could reach an agreement is trade corporations."

He indicated that "the small size of national markets demands the creation of multinational Latin American corporations where the contributions of our scientists and workers could merge. This is a fact which should be born in mind when making decisions."

Regarding foreign investments, he said that America's great natural resources must be protected to prevent lust for profit from disrupting environmental balance.

Ambueza said: "We want foreign capital to develop sectors which domestic capital cannot, taking into account the needs of our peoples and especially respecting our sovereignty."

Peruvian Justice Minister Felipe Osterling also spoke at the opening session. He emphasized that President Fernando Belaunde Terry's administration feels that the democratic system is the most suitable one for the existence of social justice and indicated that currently the state of law prevails in Peru.

The opening ceremony, held at Lima's Municipal Palace, was attended by 22 delegations to the conference, Prime Minister Manuel Ulloa, former Chairman of the International Court of Justice Jose Luis Bustamante y Rivero, and other prominent figures. Peruvian President Fernando Belaunde Terry met with the delegation at Government House at noon.

Cuban Justice Minister Arrives

FL101755 Havana Domestic Television Service in Spanish 1700 GMT 10 Jul 81

[Text] Cuban Justice Minister Osvaldo Dorticos Torrado arrived in the Peruvian capital, Lima, thus morning. Dorticos Torrado is heading the Cuban delegation which will participate in the meeting of justice ministers from 22 countries in Latin America, Spain, Portugal and the Philippines. The meeting is to be held in the Peruvian capital from 13 to 17 July.

Cuban Proposal

FL161904 Havana Domestic Service in Spanish 1825 GMT 16 Jul 81

[Text] The fifth conference of justice ministers of Spanish-Luso-American countries and the Philippines has dropped a proposed multilateral agreement on foreign nationals serving sentences in their countries of origin. Instead, the conference, taking place in Peru, decided that it was more suitable to have bilateral agreements among the governments of the region. This was in response to a proposal by the Cuban delegation, headed by Minister Osvaldo Dorticos Torrado. The Cuban delegation felt that the diversity of legislation would make the terms of a multilateral agreement too broad. Cuba's proposal was initially endorsed by Spain and then approved by the other delegations in the form of a recommendation. The conference has been under way since Monday.

NEW CHILEAN AMBASSADOR PRESENTS CREDENTIALS

PY142344 Buenos Aires LATIN in Spanish 2109 GMT 14 Jul 81

[Excerpt] Lima, 14 Jul (LATIN-REUTER)--Peru and Chile today ended 2 years of conflict that were provoked by a spy scandal, opening the road to a new era of closer relations.

The two neighboring countries formally restored full diplomatic ties in a 1/2-hour ceremony in which President Fernando Belaunde Terry accepted the credentials of the new Chilean ambassador to Lima, Jose Miguel Barros.

Their relations had been reduced to the charge d'affaires level since January 1979, when Peru declared Chilean Ambassador Francisco Bulnes persona non grata for alleged spying activities.

FOREIGN MINISTER TERMS GUYANESE REMARKS 'ABSURD'

PA181905 Paris AFP in Spanish 0231 GMT 18 Jul 81

[Text] Caracas, 17 Jul (AFP)--Venezuelan Foreign Minister Jose Alberto Zambrano today described as "absurd" yesterday's remarks by Guyanese President Forbes Burnham, who said that Venezuela is a racist country which fears an invasion" from Guyana.

The Venzuelan foreign minister said that "these absurd remarks are part of the Guyanese strategy" regarding the Venezuelan claim to over 159,000 square km of Guyanese territory, equivalent to 2/3's of its area.

The foreign minister said that those epithets against Venezuela have not received any support and he expressed satisfaction about actions favorable to Venzuela in the dispute, suchas the EEC's position not to accept any request by Guyana on the zone claimed by Venezuela, known here as Essequibo.

He added that Guyana wants to exploit the Venezuelan claim in two ways: first to gain internal unity and control its domestic politics and second to seek to discredit Venezuela internationally.

He noted that despite those efforts, the Guyanese strategy has been unsuccessful. This has been shown not only by the EEC position but by that of CARICOM, which rejected Guyana's request for support against Venezuela.

Zambrano also ruled out any armed conflict in the disputed zone. "This has never been proposed," the foreign minister told newsmen.

He said that recalling the Venezuelan ambassador in Georgetown is routine, indicating that it is normal Venezuelan policy since the situation must periodically be reviewed, the recent events must be discussed and the viewpoints of the ambassador must be heard.

He stressed that the ambassador was recalled to Caracas even before Burnham's latest attacks against Venezuela.

He insited that the dispute with Guyana involves a long-term effort by Venezuela. "We must constantly and intensively work to achieve the interests of the country in the search for a peaceful solution of the dispute," he said.

EXTENSION OF OIL AID ACCORD WITH MEXICO PROPOSED

PA190222 Buenos Aires LATIN in Spanish 2037 GMT 18 Jul 81

[Excerpts] Caracas, 18 Jul (LATIN-REUTER)--Venezuelan President Luis Herrera Campins has proposed to Mexico that the two countries extend for a 1-year period the oil cooperation agreement that they signed 12 months ago to help the Central American and Caribbean countries.

In a letter sent to Mexican President Jose Lopez Portillo, Herrera said: "The effect that (the program) has had on the progress of those countries and in improving their economic and social situation as well as their political stability, has been truly positive."

Herrera also said that the agreement had strengthened the ties between Venezuela and Mexico and had allowed the two countries to move closer to Central America and the Caribbean.

SPANISH PRIME MINISTER CALVO-SOTELO VISITS

Arrives for Talks

FL151031 Mexico City NOTIMEX in Spanish 0345 GMT 15 Jul 81

[By Fernando Sotres]

[Text] Mexico City, 14 Jul (NOTIMEX)--The prime minister of the Spanish Government, Leopoldo Calvo-Sotelo, arrived in Mexico today for the purpose of consolidating relations between Mexico and Spain. In the early evening hours, Calvo-Sotelo was welcomed at the presidential hangar by Foreign Secretary Jorge Castaneda and Secretary of Government Enrique Olivares Santana on behalf of President Jose Lopez Portillo.

The high Spanish official arrived accompanied by his wife Pilar Ibanez Martin de Calvo-Sotelo, Economy Ministry Commercial Policy Director General Pedro Solves, Foreign Minister Jose Pedro Perez Llorca and Economy and Trade Minister Juan Antonio Garcia Diez.

At the airport the president of the Spanish Government was rendered the honors of his high office. The reception was solemn and brief. The national anthems of the two countries were played and an artillery unit of the presidential general staff fired a salvo.

Calvo-Sotelo will meet with President of the Republic Jose Lopez Portillo tomorrow. His visit to Mexico will last 5 days, during which we will visit Merida as part of his work agenda. He will depart Mexico City next Saturday aboard a commercial airliner, the same way he arrived.

Meets With Lopez Portillo

FL160001 Mexico City NOTIMEX in Spanish 2200 GMT 15 Jul 81

[Text] Mexico City, 15 Jul (NOTIMEX)--Mexico and Spain will continue the dialogue resumed 4 years ago when the two countries reestablished relations. President Jose Lopez Portillo received Spanish Prime Minister Leopoldo Calvo-Sotelo at the National Palace today.

The Mexican president received his Spanish counterpart on the main stairs of the National Palace. The action was seen as nonprotocolar. From there, the two toured the National Palace, winding up at the Gallery of Presidents on the third floor, next to the honor court.

Lopez Portillo and Calvo-Sotelo held private talks in the Mexican president's office at the end of which they met with the other members of their delegations in the Treaty Room. President Lopez Portillo afterwards accompanied Calvo-Sotelo back to the stairs in the main yard, where he also said goodbye to the other members of the Spanish delegation comprised of nine of Calvo-Sotelo's ministers.

The two leaders will meet for more talks tomorrow. Lopez Portillo will host a dinner tonight in honor of his guest at the Foreign Ministry's banquet hall.

Ministers Hold Talks

FL161107 Mexico City NOTIMEX in Spanish 0251 GMT 16 Jul 81

[Text] Mexico City, 15 Jul (NOTIMEX)--"Since this has to do with Spain and given the interest we have in diversifying our markets, not only have the anticipated goals been met but relations will continue to strengthen more and more at all levels."

The assertion was made tonight by Mexican Secretary of Commerce Jorge de la Vega Dominguez during a meeting he held with Spain's Economy and Trade Minister Juan Antonio Garcia Diez.

It was announced during the meeting that trade between Mexico and Spain amounts to $1.4 billion annually. Such growth has pleasantly surprised the authorities and businessmen of the two countries.

De la Vega and Garcia Diez especially referred to the progress made in the domestic trade fair, and agreed to hold a third meeting of the Spanish-Mexican committee next September or October in Spain. The Mexican minister said that the Spanish experience is being used here, especially in matters dealing with the creation of businessmen's organizations, markets of origin and supply centers.

Finally, the Spanish minister said Mexico is on the top of the list for Spanish investments abroad and that the flow of coinvestments is increasing.

Lopez Portillo Hosts Banquet

FL161340 Mexico City NOTIMEX in Spanish 0345 GMT 16 Jul 81

[Text] Mexico City, 15 Jul (NOTIMEX)--President Jose Lopez Portillo has stressed the urgency for modifying the vitiated world economic structure and noted the need for adapting development to the impact of foreign influences with a profound nationalist sense, assigning the right place to national priorities. The country's chief of state made the statement last night in a speech at the conclusion of a banquet given in honor of the president of the Spanish Government, Leopoldo Calvo-Sotelo.

Lopez Portillo indicated that in view of the fact that the order of relationship which tends to modify itself and is about to change, countries like Mexico are again facing the possibility of making a choice or the safety of a compromise. "It seems to be the unavoidable characteristics of this era to transform habits, modify institutions, adapt tradition to the changing reality of economic imperatives."

It is necessary, the president said, to know the trend of national priorities and find the means of conciliating the interest of each community with the interest of all the others; because national development does not take place in a vacuum but within a community whose relations of interchange determine that development.

The Mexican president asserted that democracy cannot prosper in an atmosphere of economic inequality, because a democratic state and development cannot be understood as separate bodies in which the essential content of one or the other is altered.

Lopez Portillo expressed his confidence that the international community will reach the 21st Century with the necessary maturity and full awareness that the challenges of the future can only be met through cooperation and with respect for the basic rules of coexistence.

The President said that Mexico and Spain once again resume the fruitful dialogue which defines their bilateral relations and which will still further strengthen the deep friendship and the system of relations which insure their responsible participation. [sentence as received] The president expressed the opinion that Spain is experiencing a swift, intense and trancendental era of social transformation which has been brought about despite the forces of fanaticism and irrationality.

Spain To Purchase More Oil

FL162311 Mexico City NOTIMEX in Spanish 2240 GMT 16 Jul 81

[By Mariela Chazaro]

[Text] Mexico City, 16 Jul (NOTIMEX)--Spanish Prime Minister Leopoldo Calvo-Sotelo announced here today that Spain will increase its purchases of Mexican oil by 30,000 barrels a day, to be bought at the prices in effect for Mexican export crude at the time of purchase. In a news conference, he reported that one of the most important aims of his visit to Mexico has undoubtedly been the negotiation of a comprehensive agreement of cooperation between the two countries. This agreement will be examined according to the rules of diplomacy and in 6 months, if approved, Spanish Foreign Minister Jose Pedro Perez will come to Mexico City to sign the document.

On another subject, Calvo-Sotelo asserted that there is no chance that the coup attempt of 23 February--courageously resolved through the determination of King Juan Carlos, who sided with democracy--will repeat itself in Spain. He dismissed the notion that a Spanish republic could be established now because there is a process of change under way in which democracy confronts serious problems such as those involving economic transformations and terrorism, especially in the Basque country, which will take a long time to solve. He said that his government is emphasizing the autonomy of the regions comprising Spain and for this reason it plans to set up a central, not a centralist, organ in which all regions may participate.

Referring to the North-South summit to be held at the Mexican port of Cancun in October, he said that Spain believed that a South-South dialogue should be held first. He explained that Spain will not take part in tne October meeting because of the restriction on the number of representatives.

Concerning the situation in Central America, especially in El Salvador, Calvo-Sotelo said that owing to its political experience, his government favors reforms but not along the lines of the revolutionary principles espoused there.

In regard to his government's relations with the socialist regime of Francois Mitterrand, he said that ties between Spain and France are intense and sometimes complicated, "but we shall always understand each other, problems and all." France is experiencing a change now and that will enable us to understand each other better, he said.

Commenting on his trip to Mexico, the Spanish prime minister said that "there are trips for discussions and there are trips for communication, and mine has been one of communication since it is a fact that our relations are close and I hope that when I return the day after tomorrow to my country, our relations will be even closer."

Calvo-Sotelo met this morning with professors from the College of Mexico. He will receive the Spanish community in this capital this afternoon at the Spanish Embassy. Tomorrow, Friday, he will visit the archaeological areas of Chichen Itza and Uxmal in Yucatan State, followed by a visit to the shipyards in the port of Veracruz, on the Gulf of Mexico, where Spanish and Mexican technicians are building fishing boats.

Official Part of Visit Ends

FL171934 Mexico City NOTIMEX in Spanish 1910 GMT 17 Jul 81

[Excerpts] Mexico City, 17 Jul (NOTIMEX)--Spanish Prime Minister Leopoldo Calvo-Sotelo was officially seen off today at the presidential hangar of Mexico City's international airport by the secretary (minister) of government, Enrique Olivares Santana; and by the deputy secretary of foreign relations (deputy foreign minister), Alfonso de Rosenzweig Diaz, at 1030 (1630 GMT). Officials indicated that the Spanish prime minister had left satisfied with his talks with Mexican President Jose Lopez Portillo. Calvo-Sotelo left for Yucatan State where he will visit the archeological sites of Uxmal and Chichen Itza.

NICARAGUA REQUESTS SUPPORT IN TERRITORIAL CLAIM

FL172158 Mexico City NOTIMEX in Spanish 2045 GMT 17 Jul 81

[By Amado Espitia]

[Text] Mexico City, 17 Jul (NOTIMEX)--Nicaragua today asked for Mexico's support to defend itself against the United States, which is trying to take 84,000 square km of territorial sea away from Nicaragua. Speaking during the formal session of the Chamber of Deputies' Foreign Relations Committee on the second anniversary of the triumph of the Sandinist revolution, Nicaraguan Ambassador to Mexico Aldo Diaz Lacayo charged that the United States is trying to use their area as a base of action against the Nicaraguan revolution.

He said that the U.S. Congress now wants to ratify the Saccio-Vazquez-Carrizosa Treaty signed in Somoza's time in order to take possession of those 84,000 square km of sea which are equivalent to 60 percent of the Nicaraguan territory.

The diplomat asked for the support of Mexico, which he described as the precursor in Latin America and the world of the territorial sea thesis, which is widely supported by Nicaragua in any international forum.

Ambassador Diaz Lacayo noted Mexico's foreign policy based on the principles of non-intervention and self-determination of peoples. He also expressed gratitude to the Mexican Government and people for the assistance given to Nicaragua, not only during the Sandinist revolution, but also at various international forums so that Nicaragua and its revolution may continue to go forward. He recalled that at the 1979 meeting of the Organization of American States, Mexico prevented the installation of an inter-American peace-keeping force in Nicaragua.

He also mentioned President Lopez Portillo's position, when he met with U.S. President Ronald Reagan, that aid to Central American countries should not include military aid and that no nation should be excluded or used as a pretext to stir up conflicts. He remarked that this position consolidates Mexico's leadership in Latin America and in the world as regards the principles of international law. He thanked the Mexican Government for its oil aid to Central American and Caribbean countries.

FRENCH FIRM AGREES TO RESUME OIL PURCHASES

FL161249 Mexico City NOTIMEX in Spanish 1221 GMT 16 Jul 81

[Text] Paris, France, 16 Jul (NOTIMEX)--The French Petroleum Company (CFP) announced here today that it has agreed to resume oil purchases from Mexico beginning next month. In a communique issued at the end of a meeting between representatives of the two companies, the CFP asserted that the contract signed in 1979 by Pemex and the CFP will continue in force "as has been the intention of the two sides all the time."

The modalities of that contract are being constantly examined to adapt them to the market's conditions, to the needs of the CFP, to PEMEX production and to possible evolutions, the communique states. In closing, its says that relations between the two countries have always developed in an atmosphere of friendship and cooperation.

PASTORA, SPADAFORA REPORTEDLY SENTENCED TO DIE

PA191815 Panama City LA REPUBLICA in Spanish 19 Jul 81 p 1-A

[By Pedro Antonio Ureta Jr.]

[Text] The newspapers EXTRA, a serious but not boring Costa Rican daily, carried the front-page headline "Death Penalty for Pastora and Spadafora" in its 17 July issue, which greatly alarmed all us Panamanians at the Paso Canoa border post.

Quoting very reliable sources, the daily EXTRA reveals the former Commander Cero did not really resign his posts in the Sandinist regime as deputy minister of defense and commander of the People's Militias, but that he left after having serious differences with the top hierarchy of the Sandinist revolution within the framework of a large-scale internal purge which even included Tomas Borge, the minister of interior and top ideologist of communism in Nicaragua.

The confidential sources of the daily EXTRA add that the famous letter of resignation from Commander Cero in which he announces that he "is going after the smell of gunpowder in other latitudes," which was publicized by Nicaragua's Sandinist government, was a fabrication. In addition, and also moving long and powerful tentacles through subversive and clandestine groups, execution orders were issued for Eden Pastora, Jose Valdivia ("Commander Marvin") and Dr Hugo Spadafora ("Commander Hugo") a Panamanian doctor who is hosting the eight Sandinists who crossed the Costa Rica-Panamanian border on the night of Wednesday, 8 July, after abandoning Nicaragua.

In the purge, which will break out after the festivities on the second anniversary of the glorious Sandinist revolution, which ended victoriously after the war against Somoza, the leftist and center leftist revolutionary groups maintain their controversy while the third parties are in a disadvantageous position, with their main leaders being closely watched by the security and repression apparatus organized by the Sandinist regime.

In addition to Commanders Cero and Marvin, it is expected that other commanders and popular figures will leave for country to join the counterrevolutionary movement allegedly being prepared abroad under the orders of the guerrilla and revolutionary Eden Pastora, "Commander Cero," hero of the Nicaraguan war.

Spadafora: No Comment on Pastora

PA191820 Panama City LA REPUBLICA in Spanish 19 Jul 81 p A-1

[By Pablo Castrejon Jr.]

[Text] On his arrival at the restaurant "El Tambal," Commander Hugo Spadafora told LA REPUBLICA only this: "Don't ask me anything. I haven't been authorized to talk. We will talk at the proper time."

We asked Commander Spadafora if Commander Pastora was at his home or out of the country. He answered: "I can't talk now. I have nothing to say to the news media."

Commander Spadafora greeted some friends, spoke on the telephone and then left with a friend in his Mercedes Benz.

BELIZE

PREMIER PRICE OFF TO UK ON INDEPENDENCE TALKS

FL181627 Bridgetown CANA in English 1609 GMT 18 Jul 81

[by Norris Hall]

[Text] Belmopan, Belize, 18 Jul (CANA)--Premier George Price has left here for London for talks with the British Government relating to aid and security guarantees following Belize's independence later this year. Mr Price, who left yesterday, is to propose an independence date of 21 September to the British minister of state at the foreign office Nicholas Ridley, with whom he will confer. The Belize premier will discuss with Britain suitable defense arrangements following last month's failed talks with Guatemala relating to "heads of agreement" signed last March.

That provisional accord provided for the dropping of a Guatemalan claim to Belizean territory in exchange for certain maritime rights, including the use of Belizean ports. Efforts in New York last week to "draw up" treaties cementing this arrangement failed because, Mr Price said, his country could not agree to Guatemala's wish to place military bases on Belize soil.

Sources here said that Price may specifically ask for the retention of the 1,600 garrison of troops stationed here principally because of the Guatemalan claim. He is also likely to press for British aid to an expansion and improvement for the Belize defense force to include a naval and air force unit. Mr Price will discuss the traditional "golden handshake" --an economic aid package or parting gift from Britain to help former colonies through the initial postindependence period.

COSTA RICA

SAFEHOUSE DISCOVERED, TERRORIST CELLS DESCRIBED

PA171822 San Jose Radio Reloj in Spanish 0100 GMT 17 Jul 81

[Text] According to an authorized spokesman of the Judicial Investigation Organization, OIJ, another abandoned safehouse was discovered this afternoon. The OIJ agents raided the place because an informer reported to police that nobody had been seen either entering the house or coming out of it in days. The OIJ officers found valuable documents as well as many electrical appliances. The raid of this safehouse confirms that the terrorist organization is on the run and that they left in such haste to escape from the authorities that important documents were left behind, the OIJ spokesman added.

It has been learned that the four individuals who were detained several months ago in San Bosco neighborhood were unable to blow up the John Kennedy Monument because of the presence of a bystander and of the policeman on duty in front of the bank near San Pedro Park. Regueira, Rivera, Guillen and Sanchez were unable to do what they had intended and were detected by a patrol. They then defused the bomb while trying to escape the authorities. According to an OIJ agent, this military cell used the name Carlos Aguero for its operations, but the organization to which they belong has no name.

The terrorist organization's composition is so complex that it is impossible to say (?at this point) whether or not it now has a leader, an OIJ agent has explained. All we can say is that one of the four top leaders of the organization's directive nucleus has been identified as the now-deceased Carlos Gerardo Henriquez. Each cell member was in turn leader of another group of individuals and so on down the line to what they called the support base. Those in the support base are trainees new to the cause and for the time being their number cannot be determined, the OIJ spokesman added.

The Costa Rican terrorist organization is in no way connected to other similar Central American groups in its integration or strategy. The national extremists share a feeling of solidarity with terrorists in the area, but this does not mean that there is any subordination, an OIJ officer has indicated. The OIJ spokesman said in conclusion that there is, however, some basis for the belief that advice was received in the beginning from a number of foreigners, who disappeared after setting up the organization.

EL SALVADOR

MINISTRY DENIES PURSUING LEFTISTS INTO HONDURAS

PA210247 San Salvador LA PRENSA GRAFICA in Spanish 20 Jul 81 pp 2, 37

[Text] The Defense and Security Ministry denied yesterday that Salvadoran troops had been transferred from Arcatao, El Salvador, to Valladolid, Honduras, to fight against terrorists who fled to Honduras.

This information was published by a news agency and when we tried to determine the veracity of the information, the Defense and Security Ministry said through the Press Committee of the Armed Forces that this report is not true, stating that this was misinformation spread by the extreme left to create problems for the Salvadoran Government.

At the Defense and Security Ministry, it was affirmed that "it is not logical for El Salvador to send troops to Honduras, a country with which only recently our relations have begun to improve, relations which had been interrupted for 11 years."

The Honduran military authorities have also denied that Salvadoran troops have entered Honduras in pursuit of terrorists who operate in the mountain areas of Arcatao, El Salvador.

FMLN CEREMONY MARKS SANDINIST REVOLUTION

PA210347 [Editorial report] (Clandestine) Radio Venceremos in Spanish at 0000 GMT on 21 July broadcasts a 45-minute recording of a ceremony held on 19 July to commemorate the second anniversary of Nicaragua's Sandinist revolutionary victory "somewhere in the Francisco Sanchez Eastern Front."

The report describes the arrival of the delegations of peasants, workers, mass organizations, Farabundo Marti National Liberation soldiers, militias, schools and others, including the graduates of the second course of the local military school. The delegations parade in review and gather where a political-cultural ceremony is to take place. As the parade passes the Radio Venceremos mobile unit, the announcer interviews individuals from the crowd at random, all of whom express praise and admiration for the accomplishments of the Sandinist revolution.

Jose Leoncio Pitti, member of the Revolutionary Democratic Front's executive committee, is the first speaker at the cultural-political ceremony. He says: "For us the revolution of the sister nation of Nicaragua represents a contribution for all of Latin America. It is an example of how peace and social progress are won. For us, the dispossessed, it is an example of how a people, even with a few weapons but united under revolutionary organizations, can win power for the people and defeat step-by-step the interventionist strategy of U.S. imperialism." He describes the Sandinist Government's accomplishments for the benefit of the workers and peasants, especially in housing, education and public health. He adds: "The United States has made many attempts to stop the progress of the Nicaraguan revolution, but it has met a people completely united, heavily armed and consolidated in the revolutionary process."

Other speakers at the event are a Commander Tono, who urges the people to greater efforts and unity, and an unidentified companero who makes a review of Nicaragua's recent history.

GUATEMALA

REPORTAGE ON CLASHES BETWEEN ARMY, GUERRILLAS

Guerrillas Admit 25 Casualties

PA191310 Panama City ACAN in Spanish 1935 GMT 18 Jul 81

[Text] Guatemala City, 18 Jul (ACAN-EFE)--The clandestine Armed People's Revolutionary Organization [ORPA], made up of leftist guerrillas, reported today that it suffered 25 casualties when two antigovernment centers in the Guatemalan capital were dismantled.

Last week the security forces destroyed two guerrilla redoubts that operated in the Vista Hermosa and El Carmen districts. Heavy gunfire during the attacks alarmed citizens.

In a press communique sent to the newspapers, ORPA admitted that the centers belonged to the organization and that it had lost 25 members in the dismantling, while government forces sustained 13 casualties.

Meanwhile, the Guatemalan police reported having found a guerrilla redoubt in the southern province of Escuintla, supposedly belonging to the Rebel Armed Forces [FAR]. There was no one inside this center, and therefore no armed confrontation, it was stated.

Also, two Guatemalan policemen were killed today, Saturday, in a clash with members of ORPA in Rio Bravo, Suchitepequez. It was officially reported that a guerrilla group attacked the police substation in this town.

Terrorist Redoubt in Capital

PA202337 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 20 Jul 81

[Text] Security forces dismantled another terrorist redoubt at No 1365 11th Avenue in Zone 2 this morning. There was no clash at this place.

The army reported tonight that the house had been prepared to hide kidnapped persons, equipment, weapons and ammunition. The house was empty when the troops arrived and they found machineguns, rifles, grenades, pistols, ammunition, radio equipment, license plates, propaganda and personal supplies.

The confiscated weapons included: A U.S.-made Remington .30-caliber rifle with a telescopic sight, a large quantity of Claymore mines as well as material to make them and molds to make grenades.

According to the army, the weapons found include those which the guerrillas stole from military policemen whom they killed in several surprise attacks.

Guerrilla Actions in Interior

PA202321 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 20 Jul 81

[Excerpts] Terrorist groups carried out several actions in various areas of the country's interior last night and early today. These actions resulted in six killed and nine wounded; four of those killed were policemen and two of them were civilians.

The People's Guerrilla Army and the Armed People's Revolutionary Organization claimed responsibility for these actions which were carried out in Santa Cruz del Quiche, San Andres Semetabaj and Chichicastenango in Quiche Department; San Jose el Idolo and Rio Bravo in Suchitepequez Department; San Vincente Pacaya in Escuintla Department; Colomba in Quezaltenango Department and San Miguel Duenas in Sacatepequez.

The terrorists occupied towns, attacked police garrisons, damaged bridges, detonated bombs and burned public and private buildings. They blocked roads and attacked rural buses. The losses that resulted from the guerrilla offensive are impossible to calculate.

The authorities found subversive propaganda with messages alluding to the anniversary of the Nicaraguan Sandinist revolution in the places where these actions were carried out.

Our correspondents, Hector Ramirez, Oscar Contreras and Luis Navas, reported that the greatest damage occurred in Santa Cruz del Quiche where 12 sticks of dynamite destroyed the departmental government building. The terrorist action was also carried out against private businesses, where bombs were detonated destroying a tire outlet, two electrical appliances stores and a drugstore. There were people inside some of these stores, but there were no injuries.

The explosion that occurred in front of the departmental government building caused damages within a radius of four blocks, and the buildings affected include the local court. The total losses in Santa Cruz del Quiche are estimated at 100,000 quetzals.

Meanwhile, a Claymore mine exploded when a military jeep drove over it in San Andres Semetabaj, also in Quiche Department. Two of the men in the jeep were killed and Col Enrique Barrera, commander of the military reserves, and two military policemen were wounded. Two more policemen were wounded when the perpetrators of this ambush machinegunned them. The assailants stole the victims' weapons.

In San Jose el Idolo, Suchitepequez Department, approximately 100 guerrillas seized the town, attacked the police station and killed the chief of the detachment and a municipal policeman and stole their weapons. The guerrillas held a meeting and allegedly fled to Retalhuleu. The guerrillas also attacked the local police station in Suchitepequez, killing one policeman and wounding two others. The guerrillas stole the victims' weapons and ammunition.

According to eyewitnesses, approximately 60 male and female guerrillas occupied San Vicente Pacaya in Escuintla Department. The guerrillas arrived at the police station, tied up the policemen, stole their weapons and a transistor radio, burned the furniture and the police records and held a meeting there.

47 Killed in Clashes

PA202200 Panama City ACAN in Spanish 1637 GMT 20 Jul 81

[Text] Guatemala City, 20 Jul (ACAN-EFE)--The national police reported today that 25 leftist guerrillas, 14 policemen and 8 civilians died in armed clashes that took place during the weekend in 6 departments of northwestern Guatemala.

For its part, the national army has announced that it dismantled two leftist centers, one in the capital and another in Huehuetenango Department, in the north.

Meanwhile, the People's Guerrilla Army (EGP) has released a communique announcing the creation of the Augusto Cesar Sandino Guerrilla Front. The front will operate in Guatemala's central highlands.

According to police, the security forces engaged in armed clashes with guerrilla groups in the departments of Quiche, Quetzaltenango, Huehuetenango, Solola, Suchitepequez and Sacatepequez.

The guerrillas reportedly dynamited the governor's office in the departmental capital of Santa Cruz del Quiche, in Quiche, and the municipal building in Chichicastenango.

The guerrillas also set fire to an intercity bus on a road in Quetzaltenango, after making the passengers and the driver get out.

The Guatemalan Army has announced that it dismantled a stronghold belonging to guerrillas that had been operating north of the Guatemalan capital. The place was used to hide kidnap victims and to store equipment, weapons and ammunition. No casualties were reported during the operation, since the place was empty.

The military forces reportedly killed 25 rebels when they discovered another guerrilla redoubt in Coya Village, Huehuetenango Department, in the north.

In a communique sent to the papers, the EGP announced that it created the Augusto Cesar Sandino Guerrilla Front in tribute to the second anniversary of the Sandinist revolution that overthrew Somoza in Nicaragua.

Army Communique on Clash

PA202202 Guatemala City Radio Fabulosa Network in Spanish 1210 GMT 20 Jul 81

[Communique issued by the Guatemalan Army on 19 July 1981; Sercano Network]

[Text] Army troops which were involved in routine partrol duties clashed with guerrillas in Coya, Huehuetenango Department, between Jacaltenango, San Miguel Acatan and San Juan Ixcoy this morning. The army inflicted 25 casualties on the guerrillas, while sustaining no casualties itself.

Upon entering the guerrilla camp, our troops discovered a communist indoctrination school and seized weapons, a large quantity of propaganda, food and material for uniforms.

Army troops have continued to search the area seeking possible redoubts nearby.

The Guatemalan Army is increasing its fight against the communist subversion that is trying to sow terror and disrupt peace in the towns of the area.

Officials Killed in Parramos

PA202324 Guatemala City Radio Nuevo Mundo in Spanish 1200 GMT 20 Jul 81

[Text] Our correspondents have reported that more than 50 members of clandestine organizations attacked Parramos, killing Rodrigo Salguedo Munoz, a policeman, and wounding police chief Ismael Garcia Castillo and Gilberto Arana Herrera.

It was also learned that the guerrillas carried out a grenade attack against the home of Hector Dario Pellocer, the military commissioner, killing him and his 14-year-old maid, Gloridalma Miranda. Fulgencio [name indistinct] and other persons, who have not been identified because they are in very serious condition, were also wounded in the attack.

It was also reported that the commissioner's home was destroyed.

LUCAS BLAMES VIOLENCE ON SANDINIST ANNIVERSARY

PA210234 Paris AFP in Spanish 0202 GMT 21 Jul 81

[Text] Guatemala City, 20 Jul (AFP)--The government of Gen Romeo Lucas charged here tonight that "the increased subversive violence of the past 3 days in Guatemala is the result of the celebration of the Sandino-communist victory in Central America."

An official communique released in this capital analyzes the acts of violence over the weekend with a death toll [words indistinct] and the firm determination of the government to uphold the country's institutions.

HONDURAS

SALVADORAN TROOPS REPORTEDLY ENTER TO GET REBELS

PA182237 Panama City ACAN in Spanish 1855 GMT 18 Jul 81

[Text] Tegucigalpa, 18 Jul (ACAN-EFE)--Questioned by ACAN-EFE today, Honduran Army sources neither confirmed nor denied that Honduran territory has been used by Salvadoran troops to attack the leftist guerrillas.

The Honduran newspaper TIEMPO today reports statements by doctors and sources close to the Salvadoran refugees in Honduras who indicate that 1,000 Salvadoran soldiers entered Honduras yesterday to begin a "cleanup operation" in Chalatenango Department.

Sources from the Honduran Foreign Affairs Secretariat also did not comment on the newspaper's report and only stressed that the top officials of the Foreign Affairs Secretariat, including Foreign Secretary Cesar Elvir Sierra, are not in Tegucigalpa.

TIEMPO does not give the names or offices of its sources but does indicate that the Salvadoran troops entered through the area of Valladolid, in the Honduran department of Lempira, which borders on the Salvadoran department of Chalatenango.

According to the newspaper report, the Honduran soldiers did not do anything to prevent the entrance of the Salvadorans and this occurred without the authorization of the National Constituent Assembly which currently holds legislative power.

The newspaper also reports that the Salvadoran soldiers are stationed on El Tigre Hill near Arcatao in Salvadoran territory and that they are supported by the air force.

It added that the Salvadoran opposition news agency SALPRESS last night said that the group of Salvadoran soldiers who arrived in Honduras numbers 2,000.

TIEMPO stated that the Salvadoran Human Rights Commission also confirmed this report and indicated that the Salvadoran Air Force has bombed some Honduran locations where Salvadoran guerrillas are believed to be.

TIEMPO commented: "As is known, Salvadoran Foreign Minister Fidel Chavez Mena was in Tegucigalpa on Thursday and his visit was apparently linked with this operation which flagrantly infringes on Honduras' sovereignty."

TIEMPO: 17 Jul Entry

PA202229 Panama City ACAN in Spanish 1712 GMT 20 Jul 81

[Text] Tegucigalpa, 20 Jul (ACAN-EFE)--Last Friday the Salvadoran Army carried out a large antiguerrilla operation in the sector of La Canada in southern Honduras, according to reports published today, Monday, in the local daily TIEMPO.

According to the witnesses and officials cited by TIEMPO, some 1,200 Salvadoran soldiers transported in helicopters and supported by mortar fire and the air force, seized La Canada sector in search of supposed guerrilla camps.

La Canada is one of the six undefined border points between Honduras and El Salvador, which troops from neither country are allowed to enter. Vigilance over these points is being carried out by OAS observers.

According to a statement attributed by TIEMPO to the mayor of Valladolid, a Honduran town near the scene of the incidents, "The Salvadoran soldiers arrived in helicopters piloted by tall, blond men."

The Honduran military command denied having any knowledge of such a clash on the Salvadoran border area or at any other place. According to TIEMPO, however, residents of Valladolid saw a Honduran Army captain sending information on the attack by radio. According to the peasants in the area, the aircraft came from the sectors of San Isidro Labrador and Potonico, in the Salvadoran department of Chaletanango.

TIEMPO claims that in the attack the Salvadoran troops used 81-mm mortars, incendiary bombs, M-16 and G-3 rifles, while receiving air support from DC-3 and Fouga Magister planes.

The operation ended Saturday afternoon, after a Salvadoran light plane flew over the area. The paper gives no casualty figures.

The Salvadoran Armed Forces today denied through its press committee (COPREFA) any troop mobilization from Arcatao, El Salvador to Valladolid, Honduras, to fight guerrillas.

COPREFA said "such information had been supplied by the extreme left to cause problems for the Salvadoran Government."

Venceremos on 'Occupation'

PA201257 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 20 Jul 81

[Text] Salvadoran military forces, transported in helicopters, are occuping El Tigre Hill in Honduran territory, thus violating that country's territory. We received this information from the Farabundo Marti National Liberation Front, FMLN, Information Department, which says: We were informed by the command post of the FMLN general command that Salvadoran military junta airborne troops occupied El Tigre Hill in Honduran territory at 0800, which gives them a favorable position over La Canada where the FMLN forces are stationed in Chalatenango Department. At least one company was taken to this area where they have been firing artillery at the town of Arcatao. This has resulted in casualties among the population and material damage to the refugee center in Honduran territory. The town of Valladolid was also hit by the artillery fire. No reports on damage have been received. We have not heard that the Honduran Government has made any protest.

TROOPS REINFORCED ALONG BORDER WITH NICARAGUA

PA201945 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 20 Jul 81

[Text] The newspaper EL HERALDO reports today that Nicaragua has closed its border with Honduras. Sandinist army columns have mobilized toward the border with Honduras.

The Sandinist government has closed its border with Honduras at Fraternidad, in San Marcos de Colon, under the pretext of fighting the counterrevolutionary bands that, according to the Sandinists, operate in northern Nicaragua.

According to several Nicaraguan radio stations monitored in the south, several Sandinist People's Army columns have been mobilized toward Nicaragua's northern border to reinforce the troops currently engaged in fierce battles with counterrevolutionary groups. Under this pretext, the Sandinist government has closed the Fraternidad and Guasaule border posts to Honduran vehicles and cargo or those in transit through our territory. Trade with Costa Rica is thus seriously affected.

Radio Sandino, the official organ of the Sandinist National Liberation Front government, announced yesterday that some 900 counterrevolutionaries are currently fighting against the Sandinist army in the mountains of northern Nicaragua. The station added, however, that special brigades trained in guerrilla fighting have been sent in to help fight the counterrevolutionary groups.

In order to justify any future attack against Honduran territory, the Nicaraguan Government has said that the counterrevolutionary bands it has detected have come from Honduras. Under this pretext, Sandinist troops entered Honduran territory last week, provoking clashes with our soldiers at the border posts in south and eastern Honduras.

According to several military spokesmen, the Honduran Army has also reinforced its troops along the border with Nicaragua in view of the threat of an imminent attack by the Sandinist army. According to one spokesman, Hondurans should be neither concerned nor surprised over this, however, since the army is only carrying out the mandate of our constitution, which assigned the defense of our national integrity and sovereignty to it.

ARMY CHIEF ADMITS PRESENCE OF U.S. ADVISERS

PA202020 Panama City ACAN in Spanish 1530 GMT 19 Jul 81

[Text] Managua, 19 Jul (ACAN-EFE)--Gen Enrique Chinchilla, Honduran Armed Forces chief of staff, admitted here today that the Honduran Army has five U.S. military advisers.

In statements to EL NEUVO DIARIO, a Managua newspaper, General Chinchilla said that three additional U.S. Army advisers will come to Honduras. The Honduran military chief noted: "There is nothing extraordinary about that. This mission has always operated here as in several other countries."

In response to questions about rearmament and a tendency towards an arms race within the Honduran Army, General Chinchilla said: "I have heard that Nicaragua has been receiving arms from other countries." He added: "For the past 5 years we have only replaced our obsolete military equipment."

General Chinchilla and Foreign Affairs Secretary Cesar Elvir Sierra were members of a large Honduran delegation attending the commemoration of the second anniversary of the Nicaraguan revolution.

The Honduran Armed Forces chief said that he carried a message of friendship from his country to the people and government of Nicaragua.

ALERT ISSUED TO PREVENT POSSIBLE DENGUE EPIDEMIC

PA190234 Panama City ACAN in Spanish 1714 GMT 18 Jul 81

[Text] Tegucigalpa, 18 Jul (ACAN-EFE)--The Honduran secretary of public health today issued a general alert to prevent an epidemic of hemorrhagic dengue.

The health authorities warned the people that they have to observe certain rules to wipe out mosquitoes and to destroy their breeding places because the mosquitoes spread hemorrhagic dengue which can be fatal if left untreated.

The doctors warned the people that insecticide should be sprayed periodically and that things such as old tires and empty bottles and cans should be thrown away because they hold water and serve as breeding places for the mosquitoes.

The authorities stressed that those who do not comply with these instructions will be punished, and that health inspectors will be visiting the neighborhoods to see if these instructions are being carried out.

NICARAGUA

INTERIOR MINISTER TOMAS BORGE'S 19 JUL SPEECH

PA200336 Managua Domestic Service in Spanish 1752 GMT 19 Jul 81

[Speech by Tomas Borge, Nicaraguan interior minister, at the 19 July Plaza in Managua, at the ceremonies marking the second anniversary of the victory of the Nicaraguan revolution--live]

[Excerpts] When the people state their hopes and their unrest, the Sandinist National Liberation Front, FSLN, their highest organization, adopts their feelings as its own, and integrates them into its revolutionary action.

Therefore, the measures that have been announced here by Daniel Ortega have not been taken out of a magician's hat. They are the result of your struggle, the result of the popular masses' struggles. [applause]

The people make their demands. The FSLN processes and summarizes them and then puts them in the form of specific tasks to put the unending creative capacity of the people to work. When we speak about the people, we are not referring to a shapeless bunch of people but to a consciously organized people.

It is impossible to strengthen revolutionary power without a qualitative and quantitative development in the popular organizations. Without the working people as the maker of changes, the revolution becomes stagnant and turns rotten. In other words, it stops being a revolution. This is why the people must always speak clearly. The people are obligated to develop their means of participation and initiative.

The Sandinist front knows that fortunately the Nicaraguan people are not a flock of sheep, as the enemies of the revolution have tried to say. The children of this land are not robots; they are not machines. This is a people who are increasingly aware, more audacious and more creative. We will go with this heroic people to the end. We will go to the last consequences. With this heroic people, who every day are more aware of the true situation, it will be easier to find a just answer to the questions of the revolution.

If those who are governing, the leaders of this revolution, want to solve the huge and complex economic problems that Daniel mentioned and the problems of defense, health and education, we will have to go to the masses and become part of the masses. There is no mathematical formula or wise theory to solve the difficulties that arise in a revolutionary endeavor. There is only one answer, only one: the formidable strength of the people integrated without bureaucratic obstacles into the daily tasks of reconstruction. [applause]

The whole world, our friends and our enemies, know what this heroic people can do. Sandino defended the sovereignty of the fatherland. Who did he lead? The rich of the country? [the crowd shouts: "No"] He led an army of ragged and shoeless people.

The children of Sandino, the brothers of Carlos Fonseca, were the ones who, at the head of the humble, spilled their blood in the war for liberty and the independence of the fatherland. This is why our people are full of history and our history is full of people because it was the people, the humble, the workers, the peasants, who went to the trenches to spill their blood. [applause]

And in spite of this, there are always big shots, very stiff with their elegant little ties, some big gentlemen who have forgotten that the people seized power only 2 years ago. When these big shots were in power they made some small concessions to the workers and peasants. Now it is the workers and the peasants, as Humberto was telling me a while ago, who are playing the main role in this revolution. They are the ones who now make concessions to the classes that have been forever expelled from power in Nicaragua. [applause]

Guarantees have been granted to businessmen so that they can produce. This is correct and this is how it should be. They are given all sort of facilities and bank loans and they will continue to receive facilities for production purposes. But it is time to say that ever since 19 July, the day of victory, political power has not been given away because this power belongs completely to the inheritors of the ragged ones who were with Sandino, to the barefooted people, to the revolutionaries, to those who are hungry and thirsty for justice which has been denied them since the beginning of our history. [applause]

We are going to defend this power with the sling of David. The only difference is that this sling will not throw rocks, it will fire bullets from rifles and cannons. [applause]

But the make of these rifles and cannons is not important. Whatever the make, from anywhere in the world, we do not have to explain where these arms, these rifles, these cannons came from. They are going to be for defending the revolution of the people. [applause]

Where is the sling of David, I mean, the rifles, being kept? Who will handle the cannons? [crowd shouts "We"]. The answer is the militiamen who are organized into many battalions, enough to defend the fatherland, with the same courage and determination of Sandino, but with better weapons than the ones used by our immortal guerrilla, our general of free men. Now it is the people who have the cannons, the tanks and the rifles, and whoever wants to fight against Nicaragua will have to fight against this people full of history, against this heroic and courageous people. [applause]

We are enemies of war and our National Directorate has said this many times. The defense of our revolution has not been organized to conquer neighboring or faraway territories but to win peace. Our neighboring friends can rest assured that this revolution was carried out to defend the land on which we were born. [applause]

You saw our soldiers, policemen, militiamen, the personnel of the Interior Ministry, and students picking cotton. Jaime [Wheelock] told me that they were the most efficient of the workers during the cotton harvest. They went there to sweat. This was a natural thing to do because we prefer to sweat than shed blood. We prefer to sweat in the field and in factories and not to spill blood in the trenches. But who has any doubt that these men and women who went to clear the cotton plantations are also determined to eliminate the counterrevolutionary varmints wherever they show up in the territory of our fatherland. [applause]

Our people prefer peace, but they know how to defend themselves and the enemies of Nicaragua know this very well. If they have forgotten it, we will remind them of our history. If some people think they are going to come up against a weak and divided government, we wish to tell them that this is the strongest and most united government Nicaragua has ever had, that the leadership of this revolution is strong and united. It is strong because it is a government of the people. It is strong because the people have the arms and it is strong because it has the reason of force and the force of reason. [applause]

The world has its eyes on Nicaragua. Our friends and our enemies are watching us and they respect us. Nicaragua is no longer an unknown dot on the world map. Modesto [Henry Ruiz] was telling us yesterday that in Europe someone asked where Nicaragua is and a fly happened to land on a map and they said: There's Nicaragua. But Nicaragua is no longer unknown. It has joined the current of the revolutions of our time and it is a country with moral authority, not just in Central America or Latin America, but throughout the entire world. We are proud to be Nicaraguans. This revolution goes beyond our borders. Our revolution was always internationalist from the moment Sandino fought in La Segovia. With Sandino were internationalists from all over the world. With Sandino were men from Venezuela, Mexico and Peru. With Sandino was that great leader of the Salvadoran people, Farabundo Marti. [applause]

It is not at all strange for us to be internationalist because we are inheritors of Sandino. All the revolutionaries and particularly all the people of Latin America know that our people's hearts are with them and beat with them. Latin America is within the heart of the Nicaraguan revolution and the Nicaraguan revolution is also within the heart of Latin America. This does not mean that we export our revolution. It is sufficient--and we cannot avoid this--that they take our example, the example of gallantry, courage and determination of our people.

How can we not help but be hurt by the injustices committed in other parts of the world? But we realize that the people make their own revolutions. We know that by making advances in our revolution, we are also supporting our brothers on the continent. We are aware that the hopes not only of our people, but of the poor in Latin America are resting on this revolution. This implies an enormous responsibility because as we have said before and are now repeating, our internationalism must be fundamentally expressed by condolidating our revolution, working honestly every day, giving ourselves militarily for the defense of the fatherland. This great responsibility is big, very big, because it takes a lot to transform a society.

I am going to refer to the destruction and looting carried out in Nicaragua. Our country needs more effort, work and sacrifice in the future. It is harder, much harder, to develop a revolutionary process than to make war. This is true because it is war against the misery of exploiting classes. It is war that became necessary because of the misery caused by the exploiting classes. That is why we see that when 1 problem is solved, 10 others crop up. Sometimes we win battles and sometimes we lose them in the tasks of reconstruction.

What matters, however, is the trend of our process, its meaning and advance. Errors can be corrected. However, what lasts are the revolutionary changes. We are creating a new society in which individualism will, day-by-day, become a shameful concept in which man is not an item of merchandise, in which there are no tigers and sheep and there are no men who earn a living by exploiting other men.

Our struggle consists of creating a society in which the worker will be the basic force behind development, and in which there is room for other social sectors if they identify themselves with the interests of the nation and the interests of the great majority.

The measures announced today by the Government of National Reconstruction are a step forward in the process of change demanded by the working people. However, one cannot advance without hurting the interests of the selfish classes. Therefore, it is not surprising that these sectors attack the revolution. Although it is true that not all the members of these classes are caught up in the web of selfishness, or possessed by the demon of prejudice, a considerable part of them have no interest in changing the country's obsolete structures. This is why the revolutionary measures will cause anger and distrust among some minority sectors. They will say that the mixed economy and pluralism have come to an end. We reassert here what our brother Daniel said: The revolutionary process will advance and honest and patriotic owners will not only have the right to join productive tasks, but the support of the revolution. We could speak of political pluralism in similar terms. We must make it very clear, as Daniel said, that when we speak of mixed economy, pluarlism and national unity, it is within the context of the revolution and not against the revolution.

Mixed economy, pluralism and unity exist not to liquidate or weaken the revolution, but to strengthen it; not to destabilize it, but to stabilize it; not to disrespect it or to strike at it with repugnant slanders and lies, as happens every day, but to criticize it with honest truth.

This is why the revolution has drafted the mixed economy strategy so that businessmen will be productive for their own benefit and help to boost the country's economy. However, what has happened? Reasserting again what our Companero Daniel said: There are indeed some patriotic businessmen who have understood the new rules of political arithmetic and have assumed an honest and constructive attitude; however many others, many--the unpatriotic businessmen--refused to participate in the task of eliminating backwardness and poverty and confronting economic problems.

It has been said that economic issues are closely linked to political issues. That is why a large number of political and ideological problems show up in the areas of production, distribution and consumption. This means that economic policy is a problem of power and in order to confront the people's enemies in the area of power, we must learn to consciously control the economy. This applies to all of us and this is a task that falls not only on us, but also particularly on the workers.

It is necessary to become mature and overcome the adolescent phase of our revolution in order to control the anarchical trends of the market economy to which we are still held fast by thousands of invisible strings.

The people's organizations must take on a direct obligation to be vigilant in order to inform the government about capital depletion practices in line with the new law that was outlined here a few moments ago. Their reports must be serious and objective in order to rule out all possibilities of injustice and subjectivity. However, we want to emphasize on behalf of our directorate that all workers, especially laborers, must respond with a sense of responsibility and with unity to the challenges that history presents to us. Without a sense of responsibility and without unity within the working class, everything is much more difficult, and we could even say impossible.

Absenteeism and other forms of a lack of discipline are objectively identified with attitudes that oppose the revolution and they help to deplete capital.

The agrarian reform law must be viewed in its entire political dimension. It was a measure of elementary justice to turn the land over to peasants. The agrarian reform law benefits all workers, not just the peasants. However, it helps in the immediate term to have the peasants put idle lands into production and to make agricultural production more rational. Let us, through the law, eliminate the large landowners. We will give the land to the peasant. We will improve the status of the small farmer and we will also provide guarantees for the medium-sized farmers because they also know how to behave patriotically. They also know that they can contribute to justice in the rural areas.

The rejoicing over this turnover must be converted into organization, work and production. Our revolution is meeting an historical demand of the peasants, as Daniel said, and converts into reality the beautiful dream of Pablo (Ubeda), of Rigoberto Cruz and German Pomares, who shed their blood on the very ground that the revolution is now turning over to the dispossessed. [applause]

The agrarian reform generates in our hearts a rejoicing that is similar to that mentioned in the Bible when it says: Let the sea and everything in the world and its inhabitants roar; let the rivers applaud; let the mountains unite in shouts of joy. The love of justice is not just a revolutionary sentiment. It is also a sentiment that is greatly shared by the Nicaraguan Christian people. [applause]

For this reason, we see that in our free Nicaragua there are hundreds of thousands of revolutionary Christians, men and women who today are rejoicing over the news of the agreement reached by the Catholics and the bishops, a solution based on dialogue which recognizes, in principle, the right of revolutionary Catholics to work shoulder-to-shoulder with their people in the construction of a new society. We are pleased with the maturity of the church leaders. [applause]

We said previously that errors will be corrected, but revolutionary measures will remain. Well then, let us talk a little bit more about our errors, but not as if we were entering the confessional only to continue sinning after we have obtained absolution. Let us speak frankly to the people, employing a healthy self-criticism to correct errors and to rectify our course.

Something that must be noted--and that has already been noted by Daniel, but that we wish to expand upon--is bureaucracy. We inherited not just all the destruction, but also the termites of bureaucracy. Government officials of the past were taught that specialized work was separate from political decisions. However, today a government official is not only a specialist, but is also obliged to make political decisions. Regrettably, there are many officials who do not assume the responsibility of directly resolving problems in direct contact with you, with the masses. State apparatuses should be simple, dynamic and efficient.

As Commander Ortega said here, a law is already being planned to take severe action against those who rob the public treasury, particularly against those who have been guilty of corruption, those who have appropriated the people's resources.

It is true that we are still unable to control this adequately. The office of the comptroller general has made great and legitimate efforts to combat crimes against the treasury. However, it is high time for us to apply an iron fist to these criminals, who are the worst criminals because they are not stealing from their neighbors but from all our people.

There are still companeros of the armed forces and other organizations, although fortunately they are very few, who believe that their uniform or the post given to them by the revolution gives them the status of special citizens. They disregard traffic rules; they go to the front of the line at movie houses; they want special favors; they give or receive recommendations; they cause an uproar in night clubs or other places of entertainment. These companeros must either correct their behavior or stop calling themselves Sandinists. [applause]

Austerity should be practiced equally by everyone, not just by the workers of the countryside and the city on whom the major weight of the economic difficulties have fallen so far.

We shall wage a war to the death, then, against bureaucracy, lavishness, waste, corruption and abuses. Those who gave their lives did so to end these evils [applause], to give the land to the peasants, to carry out the revolution. They died to end robbery, crime and corruption, those generous men, those brace and humble men who today we remember with deep respect.

ORTEGA, D'ESCOTO ON MEETINGS WITH HONDURAS

PA210226 Panama City ACAN in Spanish 2008 GMT 20 Jul 81

[Text] Managua, 20 Jul (ACAN-EFE)--The foreign ministers and military leaders of Honduras and Nicaragua met in this capital Sunday to discuss practical ways to avoid tensions ng their common borders, it was announced today by Commander Daniel Ortega, coordinator o. the Nicaraguan governing junta.

The meetings were attended by Foreign Ministers Miguel d'Escoto Brockman of Nicaragua and Cesar Elvir Sierra of Honduras, as well as Gen Enrique Chinchilla, chief of staff of the Honduran armed forces and top military authorities of this country.

Commander Ortega reported that during his meeting several weeks ago at "El Guasaule" on the border with Honduras with Gen Policarpo Paz Garcia, president of Honduras, they had discussed holding meetings between the authorities from both countries.

The meetings so far have touched on the possibility of a joint patrolling of the border area, the marking of sentry posts at specific distances from the border and the improvement of the defense lines of each country to avoid any confusion of a cross-fire.

Minister d'Escoto Brockman said the first meeting of Nicaraguan and Honduran foreign ministers was held in Caracas, following the meeting between Commander Ortega and General Paz Garcia. The second meeting was held in Managua and a third one is to be held in Tegucigalpa, Honduras, next week, it was reported.

Nicaraguan Deputy Foreign Minister Victor Tinoco is scheduled to travel to Honduras this week to prepare the groundwork for the third meeting of the foreign ministers of the two countries.

It was also noted that there will be a meeting between the Honduran and Nicaraguan defense ministers "soon," the date to be fixed next week in Tegucigalpa.

Commander Ortega, meanwhile, in answer to a question, said he had no information of a supposed clash on the Honduran-Nicaraguan border.

"We are verifying the information," Commander Ortega said, although he explained that the northern border sector is subject to "permanent tension" by the presence of Somozist bands operating in the area.

MINISTRY ASKS U.S. SENATE NOT TO RATIFY TREATY

PA182006 Panama City ACAN in Spanish 1650 GMT 18 Jul 81

[Text] Managua, 18 Jul (ACAN-EFE)--The Nicaraguan Foreign Ministry today asked that the U.S. Senate not ratify the September 1972 U.S.-Colombian treaty that "harms the sovereignty" of Nicaragua.

The reaction of the Nicaraguan Foreign Ministry comes days after the U.S. Senate Foreign Affairs Committee unanimously recommended that the full Senate ratify the Saccio-Vasquez-Carrizosa Treaty.

Signed by U.S. and Colombian representatives, the treaty "grants" sovereignty to Colombia over the Roncador, Quitasueno and Serrana Cays in the Caribbean. Nicaragua maintains that those cays are a natural part of the Nicaraguan territory since they are inside the Nicaraguan continental shelf. In the official note, the Nicaraguan Government expresses its hope that the U.S. Senate "will reconsider the decision of the Senate committee." It adds that the U.S. Senate should not approve that treaty which "from all viewpoints to contrary to the norms established by international law."

"Nicaragua will continue to defend its territorial integrity with the instruments recognized by interntional law. The final decision of the United States will in no way reduce our rights since the actions carried out by third states do not entail obligations for other states that do not participate in or grant their consent to those actions."

D'Escoto Comments on Decision

PA182147 Managua Radio Sandino in Spanish 2006 GMT 18 Jul 81

[Statement by Nicaraguan Foreign Minister Miguel d'Escoto to Radio Sandino on 18 July in Managua--live or recorded]

[Text] I must reiterate what I have already said in a note to former secretary of state Cyrus Vance. We consider the fact that the United States has ratified the Saccio-Vasquez Carrizosa Treaty to be a hostile act against the interest of Nicaragua and its territory, an act we must condemn. This action by the United States does not necessarily mean that our struggle to recover our territory is lost.

The United States says it does not understand why are we worried if what it is doing is simply withdrawing some claims of sovereignty over Roncador, Quitasueno, Serrana and Serranilla. If this were the only thing it was doing, there would not be any problem. But in exchange for this, the United States is receiving through the treaty with Colombia navigation and fishing rights in the area and to accept these concessions from Colombia is to recognize Colombia's sovereignty in that area. There is an old Roman saying which states: You cannot give what is not yours. If I accept anything from someone it is because I think it belongs to him. Therefore, when the United States accepts navigation rights in the area, of the cays, the United States is indeed recognizing Colombia's sovereignty and that is why we are protesting.

MINISTER SAYS $1.23 BILLION IN AID RECEIVED

PA152237 Managua Radio Sandino in Spanish 1200 GMT 15 Jul 81

[Text] Haroldo Montealegre, minister of the International Reconstruction Fund, revealed that since July 1979, Nicaragua has received $1.23 billion in loans and donations to develop its revolutionary process.

The United States contributed 14 percent of this amount while it tried to impose conditions on the aid and loans, something no other country has done, Montenegro pointed out.

So far, Nicaragua has received $223 million of a promised total of $306 million. It has received $1.07 billion in loans from various countries.

Montealegre noted that since the Reagan administration decided to cut off its scanty loans to Nicaragua, and even cancel those already approved, the Sandinist revolution has received decisive support from many countries without any conditions whatsoever.

Montealegre Explains Aid

PA191830 Managua BARRICADA in Spanish 15 Jul 81 p 5

[Unattributed article: "Open Doors to Nicaragua"]

[Text] The U.S. Government's economic aggression against Nicaragua has only caused greater solidarity from the countries friendly to the Sandinist revolution. This already-known truth was outlined in concrete figures yesterday by Haroldo Montealegre, minister director [as published] of the International Reconstruction Fund, at a news conference.

In effect, unconditional international economic cooperation has been present in the 2 years of revolutionary work. Thus we see that to this date, donations have been agreed upon amounting to $306 million, of which we have received 223 million and rest will be arriving in this country soon. Of the total donations to Nicaragua, only 8 percent came from the U.S. Government, notwithstanding the widespread publicity given to this aid, which came mainly in the first few months after the victory of the revolution.

Contrasting with this, the Latin American countries (without counting Cuba), mainly Mexico, Panama and Venezuela, have donated to Nicaragua 20 percent of the total amount of nonreimburseable international aid for the reconstruction of our country. Western Europe (the FRG, the Netherlands, Sweden, Italy, Spain, Switzerland, Denmark, EEC and others) made 34 percent of the total donations. Also outstanding are the United Nations with 13 percent, Canada with 2 percent and the OAS with 1 percent.

As far as the socialist countries are concerned, they donated 22 percent of the total. Among them are the GDR, the USSR and Bulgaria. But Cuba is the most outstanding, with 14 percent of the total received by Nicaragua.

Credits

Haroldo Montealegre explained that there are other nations that have made donations, like Japan, but in these cases, the most important aspect is credits for financing development projects. Japan is, in particular, a magnificent source for credits.

During a recent trip to the Middle East, Iraq (despite the war) offered cooperation in the form of financing for projects which will be agreed to within the next few months. This is the case of Libya, whose contribution is widely known ($100 million to resolve the problems of foreign exchange), significant aid for Nicaragua.

With International Organizations

The response of international organizations has also been very satisfactory and just to give one example, Montealegre announced two loans that will be signed soon in Washington: $30 million with the World Bank for industrial rehabilitation and $8 million (including technical aid for more than $1 million, nonreimburseable) with the IDB for the northeastern forestry project.

Montealegre also referred to the latest credits granted by the Central American Bank for economic integration and announced the forthcoming formalization of a $30 million loan from the Government of Mexico for purchasing imports in that country.

Open Doors

A clear example of how doors have been opened to Nicaragua in world sources of finance is that credits have been granted in the wake of the revolution's victory. This is divided into loans for development and balance of payment loans. But it must be explained that the average term fixed for all of these loans is 16.5 years, with 5.6-year's grace and 4-percent average interest. They are truly soft terms whose period of grace permits the recovery of our economy's capacity, not only to pay the debt, but also to speed up development.

It also must be explained that of the total amount contracted, only $595 million have been disbursed, most of it to finance development projects in different areas. To the total amount mentioned, we could add $100 million in deposits and short-range loans. But these are refinanced each year.

Haroldo Montealegre read a long list of projects that are being or have been financed with all of these international credits and reported as of special significance that from the total amount of these credits, only 6 percent are credits granted by the U.S. Government. "And this is the only nation," he noted, "that has attempted to impose conditions on us."

Critical Point Not Reached

Concluding, when asked about the criticism of some of the large businessmen, Haroldo Montealegre explained that, taking into account all that was inherited, the current payment of foreign debt service is equivalent to 28.2 percent of exports. "This is manageable," he said, adding that "a critical figure would be more than 30 percent of total exports."

Lastly, he explained that the payment of the foreign debt service added to the expense of importing petroleum amounts to 50 percent of exports. This percentage becomes much greater if one takes into account very short-range debts. But this, as has already been said, is refinanced yearly. There is a world depression situation, he pointed out, "which affects our countries of the Central American area very particularly, and we must resort to credit. But the important thing," he concluded, "is the way they are used, for what and on what. And thus, in Nicaragua they are being invested in such a way that they will push us toward development."

FOREIGN MINISTER D'ESCOTO REJECTS CONDITIONAL AID

PA161555 Managua Radio Sandino in Spanish 0300 GMT 16 Jul 81

[Text] Mexico City--Nicaraguan Foreign Minister Miguel d'Escoto said today that Nicaragua is in complete agreement with the position that Mexico maintained during the recent meeting fo four foreign ministers in Nassau.

D'Escoto added that any aid is good if it really seeks to help the Central American nations equally without excluding any of them and if it does not aim to strengthen military blocs.

The Nicaraguan minister is visitng Mexico to attend the first pictorial exhibit that Nicaragua has presented abroad. It was opened by Mexican President Jose Lopez Portillo.

Regarding the Mini-Marshall Plan to provide conditional aid to Central America, d'Escoto said: I think it was born dead. We have complete confidence that this type of maneuver will not be successful.

He said that the meeting of foreign ministers of the United States, Mexico, Canada and Venezuela in Ottawa will be very important for the Central American countries which must reach agreement to present their problems jointly and ask for loans from the governments that are able to grant aid.

GUATEMALAN 'STATE TERRORISM,' REAGANITES LINKED

PA182131 Managua BARRICADA in Spanish 6 Jul 81 p 2

[Passages in all capitals denote boldface as published]

[Excerpts] State Terrorism

The Guatemalan regime has tried to restrict the publicity over the settling of accounts between the "extreme right and the extreme left."

A year ago, Emilio Barahona, government press secretary to Interior Minister Donaldo Alvarez Ruiz, THE CIA MAN, revealed initimate details of this macabre plan. Barahona identified himself as a revolutionary militant who had infiltrated the state machinery. Alvarez Ruiz had given Barahona the task of drafting the communiques of the DEATH SQUAD, a group directed by Alvarez Ruiz and Col German Chupina Barahona, the director of the National Police. Pedro Garcia Arredondo, chief of the secret police, is another collaborator.

Another connection is the SECRET ANTICOMMUNIST ARMY [ESA] to which Capt Carlos Herrera is assigned. He is a military intelligence chief.

But the GENERAL STAFF has names which are even more well known. These include the president, Gen Romeo Lucas Garcia himself, and former presidents Kuell Eugenio Laugerud and Carlos Arana Osorio as well as the defense minister, Gen Angel Anibal Guevara Rodriguez, and the previously mentioned Alvarez Ruiz.

The PROCESSING of information and the selection of victims is done by another military intelligence chief, Col Oscar Perucina, who receives information from the Labor Ministry and from cliques of "civilian" landowners and industrialists. The SQUAD headquarters is located in the National Police Building (8th Avenue between 3d and 4th Streets). The ESA has its headquarters in the State Security Building (7th Avenue between 3d and 5th Streets).

They Are Not Alone

These groups receive logistical support in the form of training, advice, equipment and other military necessities from the CIA. Its local network--in addition to the previously mentioned general staff--includes Deputy Leonel Sisniega Otero, Miguel Ortiz Passarelli, former president of the Supreme Court and the "newsmen" Mario David Garcia, director of the newscast "HERE'S THE WORLD," Jose Alfredo Palmiero, Antonio Najera Saravia, and so forth.

The savage KAIBILES [specialized army troops] are supervised by David W. Patton, a U.S. Army colonel, and by other Yankees who operate under the cover of the Agency for International Development (AID).

But in addition, state terrorism has the support of other regimes that specialize in this type of macabre trade: Israel, Argentina and Chile. The Israelis act under the cover of "technicians" in farming cooperatives. Between 1977 and 1980 they supplies some 50,000 Galil rifles, 1,000 tripod machineguns, 15 Arava planes, 5 helicopter gunships, 10,000 fragmentation grenades, 5,000 tear gas bombs and 2,000 gas masks. High-ranking Argentine military officers have traveled to Guatemala frequently to "share their expertise" within the framework of the VIOLA DOCTRINE of counterrevolutionary warfare on an international scale. Some 150 Guatemalan soldiers have gone through the "schools" of the Chilean carabineros, who are the Pinochet regime's militarized police.

The Reaganites

It is no secret that the Guatemalan oligarchy contributed to Reagan's electoral campaign in exchange for a modification of the relations JEOPARDIZED by Carter's sermons. These contacts were put under the responsibility of the AMERICAN SECURITY COUNCIL and the COALITION FOR PEACE THROUGH STRENGTH in which many REAGANITES participate: Generals Gordon Summer, Vernon Walters (the "flying" ambassador), John Singlaub (former chief of occupation of South Korea), the arms trafficker Mitchel Webell, Daniel Graham, and so forth.

There is also the FOUNDATION FOR THE LIBERTY OF GUATEMALA under the leadership of John Trotter, former manager of the Coca Cola Company of Guatemala. (The list of murdered Coca Cola union members is equally extensive.) Other similar front organizations are THE AMERICAN YOUTH FOR LIBERTY, THE MORAL MAJORITY, THE NATIONAL FEDERATION OF YOUNG REPUBLICANS, THE AMERICAN CONSERVATIVE UNION AND THE CITIZENS FOR THE REPUBLIC.

The Guatemalan oligarchs who financed Reagan meet at the ASSOCIATION OF FRIENDS OF THE NATION. Included among these oligarchs are: Roberto Alejos Arzu, Manuel Ayau, Eduardo Carrete, Milton Molina, Raul and Jorge Granados. They are all linked to Reagan confidante Michael Deaver, director of the DEAVER AND HANNAFORD public relations agency. Guatemala's "image" is sold by McKenzie-McCheyne, who previously worked for Somoza.

After considerable stumbling, Guatemala's revolutionary forces have begun to organize the insurgent forces, which are growing quickly. These are increased by peasants and Indians who must choose between the struggle or death; exploited workers who have experienced terror; priests who have had to stop celebrating mass to take up arms and escape from death; conscientious professionals whose lives have been threatened because they want to serve the people.

A new phenomenon that revelas the sign of the new phase in Guatemala is the recent formation of the 31 January People's Front, a coalition of mass organizations whose name commemorates the Spanish Embassy massacre. It is made up of the Committee for Peasant Unity [Comite de Unidad Campesina], the Felipe Antonio Garcia Revolutionary Workers' Nuclei [Nucleos Obreros Revolucionarios Felipe Antonio Garcia], the Trinadad Gomez Hernandez Population Coordinating Board [Coordinadora de Pobladores Trinidad Gomez Hernandez], the Vicente Manchu Revolutionary Christians [Cristianos Revolucionarios Vicente Manchu] and the University and secondary level branches of the Robin Garcia Student Front [Frente Estudiantil Robin Garcia]. Their revolutionary goal is the same as the other insurgent organizations.

Guatemala is going through times of intense struggle, and the strengthening of revolutionary organizations makes the future appear brighter.

BORDERGUARD REPORTEDLY KILLED IN PENAS BLANCAS

PA171515 Managua Radio Sandino in Spanish 1200 GMT 17 Jul 81

[Interior Ministry communique]

[Text] The Public Relations Office of the Interior Ministry announces to the Nicaraguan people that yesterday morning, Companero Regino Pena Villalobos was murdered. He was a member of the borderguard unit of the Sandinist front.

The companero was attacked a few meters from the Penas Blancas border post. Several persons are being sought by authorities of the Sandinist front and the Interior Ministry.

BISHOPS' COMMUNIQUE ON DIALOGUE WITH PRIESTS

PA161800 Managua Radio Corporacion in Spanish 2300 GMT 15 Jul 81

[Communique from the Nicaraguan Episcopal Conference, following dialogue with the priests holding government posts, issued in Matagalpa on 15 July; read by station correspondent--recorded]

[Text] In compliance with its duty and pastoral concern, on 13 July the Episcopal Conference convened a new dialogue with the priests who hold public posts in the government and are engaged in partisan activities.

It is the constant doctrine of the church, confirmed by historic experience, that like the bishop, the priest celebrates mass and serves the cause of unity. As a pastor concerned with the liberation of the poor and the oppressed, always acting in the spirit of the Gospel, the priest believes in the force of the Holy Spirit in order not to fall victim to the temptation of becoming a political figure, a social leader or official of a temporal power, which would prevent him from being a worthy factor of unity and fraternity. We refer to the Puebla Document, pages 695 and 696.

The priestly mission is not merely a position in name only nor is it only derived from services offered to the people. The people cannot revoke it. Priests are chosen, consecrated and prepared to carry out their mission in the name of Christ; they continue the work of Christ. They are not merely men in the service of others, but above all in the service of God. Their mission is constituted [words indistinct] and liberation between God and man. He recalls St Paul's words to Timothy: "Dedicate yourself to your evangelistic work; fulfill your ministry with perfection," (Timothy 4:5).

We are again facing an old and constant [word indistinct]: the inability to act as ministers of God within the historic processes, that is, the inability to carry out a specific function without allowing ourselves to become absorbed in other tasks which are no less important, but which are not a direct part of the priestly functions. To be present in the [words indistinct] but without preventing or hoarding the freedom and responsibility proper to every man. The Gospel is evidenced in the search for the truth [words indistinct] the liberation force that does not allow [word indistinct] or stagnation.

The conditions of poverty and oppression make the presence of Christ more [word indistinct] and imperative because his liberating message is basically within each man, regardless of his condition. Politics cannot be placed above all else; politics cannot be turned into an idol. Everything cannot be judged on the basis of a specific political project, since this would lead to self-justification and to intolerable dogmatism. History supports this view. Carrying out the specific mission of the priestly ministry in no way means being against the processes and the legitimacy of the historic changes, but rather insisting on the need to evaluate and enrich them with Christian faith and values.

It was necessary to explain these previously recognized principles so that our priests and the faithful may follow with greater understanding these processes of liberation in view of the Gospel and the repercussions which these processes have on our church and our people. Subject to these general principles of the church, the dialogue was sought to learn the latest decision of the priests presently holding public posts in the government and fulfilling partisan responsibilities.

After explaining their motives and in view of their options to continue in their government functions or to dedicate themselves to the service of the tasks appropriate to their priestly ministry, the priests in government expressed their conviction that they still believe their participation in government necessary. They wish, however, to remain loyal to the rules and principles of the church, and they proposed that they be permitted to continue at their present posts. The following bases were thus established:

1. They asked to maintain their identity in communion with the hierarchy.

2. They recognized that to harm the church would be to harm the people in their urgent needs for liberation and development.

3. They asked for a stay of the order to resign from the priesthood under the following conditions:

a. That while in the exercise of their public posts and while engaged in partisan activities, they will abstain from practicing the priestly ministry either publicly or privately in the country or abroad.

b. That they will neither use nor invoke their priestly condition to support or justify attributes proper to the state or partisan interests.

c. That in order to guarantee ecclesiastical communion they will keep in contact with the ecclesiastical hierarchy.

Meanwhile, the bishops, who are aware that this exception fails to fill or satisfy the primary objectives of the priestly functions, agreed to tolerate it temporarily and reiterate [words indistinct] so that according to the express wish of the Holy See and the demands of the urgent needs of our people, these priests may return to the exercise of their priestly ministry as soon as possible.

Signed in Matagalpa through common accord between the interested parties, on 15 July 1981

Liaison Group To Be Formed

PA162343 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 16 Jul 81

[Excerpt] During a meeting today between members of the government junta and of the Episcopal Conference, it was decided that a committee of bishops would be formed to maintain direct contact with the government junta. Members of the junta of the Government of National Reconstruction, before leaving for the city of Esteli where they participated in a special State Council session, decided to visit the Matagalpa curia, where the Episcopal Conference has been meeting for the past 3 days.

The Nicaraguan bishops were expressly invited by the government junta to participate in the ceremonies marking the second anniversary of the revolution on 19 July. Present at the meeting were Bishops Manuel Obando y Bravo, Manuel Salazar, (Elubigildo) Lopez, Pablo Antonia Vega, Ruben Lopez (Ardon), Julian (Barney), Salvador (Chavez) and apostolic nuncio Andrea Cordero Montezemolo.

Regarding the meeting, Msgr Pablo Antonio Vega, bishop of Chontales, said the following:

[Begin recording] [Vega] We had scheduled a 3-day meeting and by coincidence the members of the government junta also invited us to talk with them. Therefore, on their way to Esteli, they came to greet the participants in the conference, because it has not been possible to have a full-fledged dialogue. However, at this time, agreements have been reached on certain points that will facilitate a continuous exchange. For example, a committee of bishops will be appointed to maintain a closer relationship with the members of the junta, and at the same time, a committee will be appointed to smooth the way when we have matters to discuss jointly.

[Question] How would you describe relations between the church and the Government of National Reconstruction?

[Answer] I believe that through these very contacts, it will be possible to define the true basis of that relationship and the mutual dependence between the values defended by the church and the social and economic changes needed at this time. The church will always be basic; it will not be the result of a formula but will be a humanistic nucleus around which man's historical process should and must revolve. [end recording]

FIDEL CASTRO SENDS MESSAGES TO VARIOUS COUNTRIES

Greets Kampuchean Leaders

BK191036 Phnom Penh Domestic Service in Cambodian 0400 GMT 18 Jul 81

[Test] Comrade Fidel Castro, president of the Council of State and President of the Council of Ministers of the Republic of Cuba, recently sent a message greeting Comrade Heng Samrin and Comrade Pen Sovan on their respective appointments as the chairman of the Council of State and chairman of the Council of Ministers of the PRK.

The message says in essence:

On the occasion of your appointments as chairman of the Council of State and chairman of the Council of Ministers of the PRK, on behalf of the Council of State, the Government and people of the Republic of Cuba, I extend to you my sincere and warm congratulations. Under the correct leadership of the new establishment, the Council of State and Government of Kampuchea will guide the nation toward socialism in line with the constitution--which represents the will of the Kampuchean people.

The Government and people of Cuba express their support and sympathy to the Kampuchean people and wish you greater successes in the accomplishment of your tasks.

Greets Vietnamese Leaders

OW171603 Hanoi VNA in English 1528 GMT 17 Jul 81

[Text] Hanoi VNA July 17--Fidel Castro, first secretary of the Communist Party of Cuba Central Committee and chairman [as received] of the Council of State and the Council of Ministers of the Republic of Cuba has sent his warmest congratulations to Truong Chinh and Pham Van Dong on their election respectively as chairman of the Council of State and chairman of the Council of Ministers, of Vietnam.

The Cuban leader said in his congratulatory message:

"We are firmly confident that the fraternal Vietnamese people, led by the Communist Party of Vietnam, their experienced vanguard, will continue to record new successes in building socialism and defending their country. We would like to re-assure you of our determination to continuously strive to further strengthen the friendship and militant solidarity between our two countries, parties and government..."

Cuban Foreign Minister Isidoro Malmierca has also sent his congratulations to Nguyen Co Thach on his re-appointment as Vietnamese foreign minister.

Congratulates Nicaraguans

FL181219 Havana Voice of Cuba in English to North America and the Caribbean 0700 GMT 18 Jul 81

[Text] Cuban President Fidel Castro has sent a congratulatory message to the Nicaraguan people on the second anniversary of the Sandinist revolution. The Somoza regime was overthrown on 19 July 1979.

Fidel said Cuba will continue to help out Nicaragua in the difficult tasks it has ahead. He said Nicaragua has already been very successful [words indistinct] despite the mess left behind after 50 years of Somoza rule. The president added that Cuba gives its friendship and solidarity to that country and is sure that Nicaragua will have new and very important victories as the revolution faces [word indistinct] from U.S. imperialism.

The message adds that 2 years of revolution have brought hope and victory to the country which have been translated into solid achievements in the economy, education and culture. He concluded that the success has inspired respect admiration and solidarity among the peoples of Latin America and the Caribbean.

VARIOUS GROUPS COMMEMORATE NICARAGUAN ANNIVERSARY

Peace Group Sends Message

PA170453 Managua International Service in Spanish 0030 17 Jul 81

[Text] The Cuban Movement for Peace and Sovereignty of Peoples has sent a congratulatory message to the Nicaraguan people and government on the second anniversary of the revolutionary victory.

We are sending you our best wishes and are offering our unrestricted solidarity with your just cause, the message said.

It stressed that 19 July 1979 opened a new historical era for Nicaragua, setting it on the way to its true and full independence. It also condemned the maneuvers and aggressions of imperialism and its allies against the Nicaraguan revolutionary process.

Week of Solidarity Begins

FL172222 Havana Domestic Service in Spanish 2130 GMT 17 Jul 81

[Text] A political-cultural ceremony has been held on the ground floor of the State Committee for Economic Cooperation to mark the beginning of the week of solidarity with Nicaragua scheduled to end on 23 July. The activity is part of the celebrations of the 2d anniversary of the founding of the Sandinist National Liberation Front and the 28th anniversary of the storming of the Moncada garrison.

Hector Rodriguez Llompart, minister president of the State Committee for Economic Cooperation; and Marcos Valle, Nicaragua's ambassador to Cuba, presided over the ceremony which was also attended by Jose A. Vargas, economic counselor at the Nicaraguan Embassy in Cuba. Valle gave thanks for the solidarity event and recalled that the month of July symbolizes for his country hundreds of years of resistance by the people against their unjust position.

OCLAE Declares Solidarity

FL172232 Havana Domestic Service in Spanish 2130 GMT 17 Jul 81

[Text] The permanent secretariat of OCLAE [Continental Organization of Latin American Students] has issued a declaration of solidarity with Nicaragua on the second anniversary of the triumph of the Sandinist revolution. The document notes that the students of Latin America and the Caribbean support the people and students of the Central American country who, led by the Sandinist Front, put an end to more than 150 years of imperialist domination and began the construction of new Nicaragua.

Nevertheless, from 19 July 1979 on, the United States has not ceased to raise obstacles to the development of the revolution, resorting to economic boycott, terrorism and armed action, it adds. The threat of direct aggression hangs over Nicaragua, the declaration states, but OCLAE reaffirms its most determined solidarity and urges all revolutionary, progressive and democratic forces of the world to unrestrictedly support the people of Sandino.

GOVERNMENT OFFICIAL CONGRATULATES KAMPUCHEANS

Bk191020 Phnom Penh Domestic Service in Cambodian 1230 GMT 18 Jul 81

[Text] Comrade Raul Roa Garcia, acting president of the National Assembly of Cuba has recently sent a message congratulating Comrade Chea Sim on his election as chairman of the PRK National Assembly.

The message says:

On the occasion of the birth of the National Assembly of the PRK and your appointment as its chairman, on behalf of the National Assembly of the Republic of Cuba and the Cuban people, allow me to express my sincere congratulations to you. I take this opportunity to affirm to you our desire for a further consolidation of our two national institutions.

I wish you success in your high position and good health.

FRUIT PROCESSING AGREEMENT SIGNED WITH GDR

FL170049 Havana Domestic Television Service in Spanish 000 GMT 17 Jul 81

[Text] An agreement between the Governments of Cuba and the GDR to cooperate in building in our country a plant to process citrus fruits and to send the plant's product to the GDR, was signed today at the Sierra Maestra Hotel in Havana. Comrade Hector Rodriguez Llompart, member of the PCC Central Committee and minister president of the State Committee for Economic Cooperation, signed for the Cuban side. Gerhard Briksa, minister of domestic trade [as heard], signed for the GDR.

Also present at the signing were Comrades Serafin Fernandez, alternate member of the PCC Central Committee; and Harry Spindler, the GDR's ambassador to Cuba.

BRIEFS

CONSTRUCTION WORKERS ABROAD--The UNECA [Union of Caribbean Construction Enterprises] program up to May has been fulfilled 107 percent, it was reported at the second UNECA assessment meeting held in Havana. The meeting was chaired by Central Committee members Jose Lopez Moreno, minister of construction; Pedro Fernandez, secretary general of the Construction Workers Union; and Levi Farah, government minister for construction overseas. It was also reported at the meeting that there were 7,143 Cuban workers overseas up to 31 May. Of these, 87 percent were engaged in commercial projects and 13 percent in the type of construction work labeled as donations. [Havana Domestic Service in Spanish 2130 GMT 13 Jul 81 FL]

AMBASSADOR TO SEYCHELLES--Cuba's Council of State has designated Comrade Rene Roberto Valdes Munoz ambassador extraordinary and plenipotentiary of the Republic of Cuba to the Government of the Republic of Seychelles. Comrade Valdes Munoz was chief of department in the Foreign Ministry's Directorate of Asia and Oceania. [Text] [Havana Domestic Service in Spanish 1404 GMT 15 Jul 81 FL]